
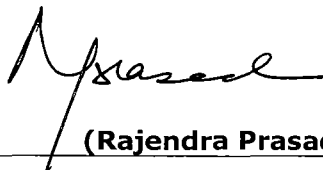
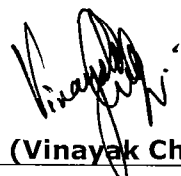
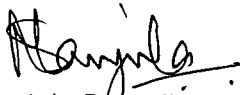



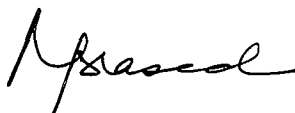
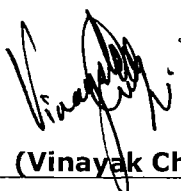
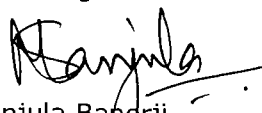
**FORM A**  
**Format of covering letter of the annual audit report to be filed with the stock exchanges**  
**(Pursuant to Clause 31(a) of Listing Agreement)**

Sr. No.	Particulars	Details
1.	Name of the Company	SRF Limited (Consolidated)
2.	Consolidated annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	No Qualification or matter of emphasis has been included in the Audit Report.
4.	Frequency of observation	Not applicable in view of comments in (3) above.
5.	To be signed by: <ul style="list-style-type: none"> <li>Managing Director</li> <li>President &amp; Chief Financial Officer</li> <li>Audit Committee Chairman</li> <li>Auditor of the Company</li> </ul>	<div style="text-align: center;">   <b>(Ashish Bharat Ram)</b> </div> <hr/> <div style="text-align: center;">   <b>(Rajendra Prasad)</b> </div> <hr/> <div style="text-align: center;">   <b>(Vinayak Chatterjee)</b> </div> <hr/> <p>Refer our Audit Report dated <b>May 3, 2013</b> on the consolidated financial statements of the Company</p> <p><b>For DELOITTE HASKINS &amp; SELLS</b>  Chartered Accountants  (Firm Registration No. 015125N)</p> <div style="text-align: center;">   Manjula Banerji  (Partner)  (Membership No. 086423) </div> <p><b>GURGAON, MAY 3 , 2013</b></p>

*[Handwritten signature]*

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges  
(Pursuant to Clause 31(a) of Listing Agreement)**

Sr. No.	Particulars	Details
1.	Name of the Company	SRF Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	No Qualification or matter of emphasis has been included in the Audit Report.
4.	Frequency of observation	Not applicable in view of comments in (3) above.
5.	To be signed by: <ul style="list-style-type: none"><li>Managing Director</li><li>President &amp; Chief Financial Officer</li><li>Audit Committee Chairman</li><li>Auditor of the Company</li></ul>	<div style="text-align: center;"> (Ashish Bharat Ram)</div> <div style="text-align: center;"> (Rajendra Prasad)</div> <div style="text-align: center;"> (Vinayak Chatterjee)</div> <p>Refer our Audit Report dated <b>May 3, 2013</b> on the standalone financial statements of the Company</p> <p><b>For DELOITTE HASKINS &amp; SELLS</b> Chartered Accountants (Firm Registration No. 015125N)</p> <div style="text-align: center;"> Manjula Banerji (Partner) (Membership No. 086423)<p><b>GURGAON, MAY 3 , 2013</b></p></div>

*Handwritten notes and signatures at the bottom left of the page.*

Annual Report  
2012-13



# Awards & Recognitions



## SRF's Chemicals Business wins Deming Prize

The Chemicals Business of SRF won the coveted **Deming Prize** during the year. Roop Salotra, President & CEO, Chemicals Business received the medal and certificate from Hiromasa Yonekura, Chairman, Deming Prize Committee, at a ceremony held in Tokyo on November 14, 2012. Deming Prize is awarded by the Union of Japanese Scientists and Engineers (JUSE).



## Key Milestones.....2012-13

- 🏆 The Packaging Films Business bagged the Best SEZ Award within the '**EPCES Export Award**' instituted by the Export Promotion Council for the 6th consecutive year
- 🏆 SRF set up the first **Hot Laminated Facility** in the country to be able to expand its product range for Laminated Fabrics and compete at the higher end of the market
- 🏆 SRF's Coated Fabrics Business added new products such as **Pagodas, Double Sided Striped Awnings and Lacquered Tarpaulins** (printable)
- 🏆 SRF's Fluorochemicals Business introduced two new products – **trichloroethylene** and **perchloroethylene**
- 🏆 SRF's Chemical Technology Group filed **7 new process patents** as intellectual property of the company taking the total number to 29
- 🏆 SRF's Engineering Plastics Business introduced **Halogen free environmental friendly products** for electrical segment and also made a significant headway in the international market
- 🏆 SRF Foundation was conferred with the reputed **12th Businessworld FICCI CSR Award 2011-12** for its Kidsmart Early Learning Programme under the category of 'Exemplary Innovation Promoting CSR'



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## Chairman's Message

Dear shareholders,

Let me begin by sharing with you some good news. Last year, the prestigious Deming Prize was conferred on our Chemicals Business for improving business performance through quality based management. The recognition came to SRF for the second time. Earlier in 2004, our tyre cord business bagged the same honour. My congratulations to the entire Chemical Business team which left no stone unturned to make this happen.

As you are all aware, we are facing challenging times. The global economy continues to remain uncertain and the scenario that is playing out in our domestic market is also not encouraging. Even a chance glance at the newspaper reports reveals the scale of prevailing economic crisis. The trend is ominous and the sentiment somber.

But at SRF, we have once again reported profit even during a turbulent year, albeit a decline over the previous year. We have continued to invest in our people, process

and technology to stay ahead of the pack. And more importantly, our confidence in the path trodden and faith in our ability to travel that path remains unshakable.

As stated earlier, we are progressing on our way to becoming predominantly a chemical company, which is known and respected globally for its R&D capabilities and quality of its produce. The transition that began a couple of years back crossed a major milestone last year with the commissioning of initial projects in our new Chemical Complex at Dahej in Gujarat. Today, the Dahej site is buzzing with activity with several projects in different stages of completion. The current focus on enhancing and enriching the basket of speciality chemicals will certainly make SRF a force to reckon with in this segment.

What is more heartening is to note that all our new plants in Dahej are being designed and executed with in-house technologies, a huge testimony to the R&D capability we have developed over the years.

“

As our global footprint expands, we are increasingly becoming more and more conscious of the challenges of operating in a multiple socio-cultural, political and regulatory environments. Greater challenge, however, is to foster a unified set of organisational values that we are proud of as a company.

”

As expected, the revenue stream from CERs will cease to accrue from the current year. But the income from new units in Dahej is expected to more than compensate the loss in the next couple of years.

A lot is also happening in our Packaging Films Business. We will not only enhance our capacity for BOPET films through our first overseas polyester film plant in Thailand but will also add a new category of product to the portfolio in the form of BOPP films through another overseas plant in South Africa. Both these green field overseas projects will be commissioned during the year. As regards Engineering Plastics Business, our efforts are on to make further inroads into the auto and electrical sector.

Our expansion into chemicals and polyester films is perfectly aligned with our business strategy to reduce the company's dependence on Technical Textiles, which continues to be the flagship business. The growth in select areas of Technical Textiles Business will, however, continue. The newly commissioned laminated fabrics plant is stabilised and is now running at full capacity. The coated fabrics business where we have added new products in the last one year is presently under stabilisation and the efforts are on to explore new applications and penetrate new markets both in India and abroad.

As our global footprint expands, we are increasingly becoming more and more conscious of the challenges of operating in a multiple socio-cultural, political and regulatory environments. Greater challenge, however, is to foster a unified set of organisational values that we are proud of as a company. We plan to initiate a series

of synchronised actions to promote understanding of what we stand for amongst our colleagues. I am also pleased to inform you that we have recently successfully upgraded our ERP system with the latest version of R12 Oracle across the units in India and the plans are on the anvil to connect the same with the global units as well. These measures will, undoubtedly, improve our overall organisational efficiency and effectiveness.

We truly believe that the benefit of our business must be shared with the community. Building on its pioneering work, our social wing, SRF Foundation undertook several initiatives in the area of education, vocational skills, health, natural resource management and affirmative action during the year gone by. Let me reiterate that our work in these areas will continue unabated with full zeal and commitment. The FICCI CSR Award conferred on our organisation during the year reaffirms our concern and commitment to the cause of community.

I would like to express my gratitude to all the shareholders for reposing trust in the SRF management, our Board of Directors for their constant support and guidance and our colleagues in SRF for their commitment and contributions towards the organisational goals.

We believe in our dream. And, we remain committed to converting our dream into a reality.

With kind regards,



Arun Bharat Ram



# Company Information

## Board of Directors



- |   |   |   |   |   |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 |   |
| 5 | 6 | 7 | 8 | 9 |

### 1. Arun Bharat Ram,

*Chairman*

### 2. Ashish Bharat Ram,

*Managing Director*

### 3. Kartikeya Bharat Ram,

*Dy Managing Director*

### 4. K Ravichandra,

*Director (Safety & Environment)*

### 5. Vellayan Subbiah

### 6. Vinayak Chatterjee

### 7. L Lakshman

### 8. Tejpreet S Chopra

### 9. Pramod Bhasin

## Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants

## Company Secretary

Anoop K Joshi

## Bankers

- ICICI Bank • State Bank of India • Standard Chartered Bank
- Citibank NA • Yes Bank Limited • HDFC Bank
- The Royal Bank of Scotland • Kotak Mahindra Bank
- Development Bank of Singapore

## Registered Office

C - 8, Commercial Complex, Safdarjung Development Area,  
New Delhi - 110016, India

## Corporate Office

Block - C, Sector - 45, Gurgaon - 122003, Haryana, India





### Chemicals and Polymers Business: plants

- Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301018, Rajasthan
- Manali Industrial Area, Manali, Chennai - 600068, Tamil Nadu
- Plot No. 14 C, Sector 9, IIE Pantnagar, Distt. Udham Singh Nagar - 263153, Uttarakhand
- D II/I GIDC, PCPIR, GIDC, Phase II, Tal Vagra, Village Dahej, Distt. Bharuch - 392130, Gujarat



### Technical Textiles Business: plants

- Manali Industrial Area, Manali, Chennai - 600068, Tamil Nadu
- Industrial Area, Malanpur, Distt. Bhind - 477116, MP
- Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601201, Tamil Nadu
- Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu
- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244713, Uttarakhand



### Packaging Films Business: plants

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244713, Uttarakhand
- Plot No. C 1 - 8, C 21- 30, Sector 3, Indore Special Economic Zone, Pithampur, Distt. Dhar - 454775, Indore, MP

# Notice

Notice is hereby given that the 42nd Annual General Meeting of SRF Limited will be held on Friday, the July 26, 2013 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: -

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2013 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Vinayak Chatterjee, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr Tejpreet Singh Chopra who retires by rotation and being eligible, offers himself for re-election.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof :

**"RESOLVED THAT** M/s. Deloitte Haskins & Sells, Chartered Accountants, New Delhi (Registration No. 015125N) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Audit Committee/ Board of Directors and service tax thereon and re-imbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."

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

Appointment of Mr Pramod Bhasin, as a Director, liable to retire by rotation :

**"RESOLVED THAT** Mr Pramod Bhasin, who by his co-option as an additional Director with effect from July 25, 2012, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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 as Chairman with Executive Powers:

**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 311 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required including any statutory amendment or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr Arun Bharat Ram as Chairman in executive capacity with authority to the Board to revise his designation at its discretion and other terms and conditions of the appointment including as to remuneration as are set out hereunder:-

1. **Tenure**

Five years with effect from 15.6.2013

2. **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.

3. **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 salary, perquisites and commission, as may be decided by the Board/Remuneration Committee within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 349 of the Companies Act, 1956.

**Remuneration for a part of the Year**

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 Chairman shall be ₹2 lakhs per month or such higher amount as may be permitted under the Companies Act, 1956 subject to such approval, if any, as may be required.

**Sitting Fee**

If permissible by law, Mr Arun Bharat Ram shall be entitled to sitting fee in addition to the components of remuneration mentioned above, for attending meetings of the Board of Directors or Committees thereof.

**4. 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, 1956 or any statutory amendment or re-enactment thereof.

**RESOLVED FURTHER** that in the event of any further authorisation/ revision in the levels of permissible managerial remuneration, the Board of Directors/ 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."

**Regd. office**

C-8, Commercial Complex,  
Safdarjung Development Area,  
New Delhi-110016  
Gurgaon, May 3, 2013

By Order of the Board  
for **SRF LIMITED**  
Sd/-  
**(Anoop K Joshi)**  
Sr. Vice President &  
Company Secretary

**NOTES**

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 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 LESS THAN FORTYEIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the July 19, 2013 to Friday, the July 26, 2013 (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, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, the Registrar & Share Transfer Agent, quoting folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.  
  
In terms of SEBI Circular dated May 20, 2009 and January 7, 2010 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 transferee(s) are requested to furnish copy of their Permanent Account Number (PAN) Card along with the other documents to the RTA for the above mentioned purpose, irrespective of the value of the transaction.
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. All amounts of unclaimed dividend declared up to the financial year ended March 31, 2005 have been transferred to the General Revenue Account of the Central Government/Investor Education and Protection Fund as required by the Companies Act, 1956.
7. Pursuant to Section 205A of the Companies Act, 1956, dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund of the Central Government.  
  
Section 205C of the Act states that no claims shall lie against the Fund or the Company in respect of individual amounts which were unclaimed and unpaid for seven years as aforesaid and transferred to the Fund.

The details of unpaid/unclaimed equity dividend are available on Company's website [www.srf.com](http://www.srf.com)

Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial years ended March 31, 2006 and thereafter 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. Members are requested

- To bring copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
- To quote their folio/identification Nos. in all correspondence.
- To note that no gifts will be distributed at the meeting.
- In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

#### Item Nos. 2 and 3

Mr Vinayak Chatterjee and Mr Tejpreet Singh Chopra shall retire by rotation and being eligible, offer themselves for re-appointment.

The information required by the Listing Agreement with the Stock Exchanges is given below:

#### Mr Vinayak Chatterjee

Mr Vinayak Chatterjee (53) is a graduate in Economics from St. Stephen's College, Delhi and a Post-graduate in Management from the Indian Institute of Management, Ahmedabad.

He is strategic advisor to leading corporates and Government agencies in the areas of economic policy and infrastructure planning and implementation.

He is currently the Chairman of CII-National Committee on Urban Infrastructure (India's largest industry association) and was the Chairman of CII (Northern Region) for the year 2000-01. He is also a member of the Task Force on Reforms in Housing & Urban Development of the Government of India.

Mr Vinayak Chatterjee is a member of the Shareholders'/Investors' Grievance Committee, Special Committee and Chairman of Remuneration Committee and Audit Committee of the Board and has no shareholding in the Company.

Directorships in other public companies	Committee Membership
Avantha Power & Infrastructure Limited	- Audit Committee* - Remuneration Committee*

\*Chairman

No Director other than Mr Vinayak Chatterjee is concerned or interested in the Resolution. The Board of Directors recommends the resolution for approval of the members.

#### Mr Tejpreet Singh Chopra

Mr Tejpreet Singh Chopra (43) did his B.A. (Hons) in Economics from St. Stephen's College, Delhi University and MBA from Cornell University, U.S.A.

Mr Tejpreet Singh Chopra is the Founder, President & CEO of Bharat Light & Power. Bharat Light & Power is a clean power generation company utilizing a variety of advanced technologies. Mr Chopra's 18 years of global management and finance experience was gained in various business roles held in France, England, Hong Kong, India and USA, of which over 14 years were at General Electric. Mr Chopra's is involved in various industry associations. He was a member of National Council of the Confederation of Indian Industry (CII), The Chairman of American Chamber of Commerce in India (AMCHAM), and Board of Directors of the U.S. - India Business Council (USIBC).

Mr Chopra is Chairman of the Shareholders'/Investors' Grievance Committee and Member of Remuneration Committee and Special Committee and has no shareholding in the Company.

Directorships in other public companies	Committee Membership
Gujarat Pipavav Port Limited	Remuneration Committee

None of the Directors of the Company other than Mr Chopra is concerned or interested in the Resolution. The Board of Directors recommends the resolution for approval of the members.

#### Item No.5

Mr Pramod Bhasin (61) was co-opted as an additional director on the board of directors of the company on July 25, 2012. In terms of articles of association of the company and section 260 of the companies act, 1956 he holds office upto the date of forthcoming annual general meeting.

Mr Pramod Bhasin is a Chartered Accountant from Thomson McLintock & Co., London, and holds a Bachelor of Commerce degree from Delhi University.

Mr Bhasin started Genpact (formerly GE Capital International Services) in 1997. He was the President & CEO till June 2011 and is currently the Vice Chairman. Under his leadership,

Genpact pioneered the Business Process Management industry in India.

He is on the governing boards of several educational institutions including IIM Lucknow, the Lady Shri Ram College, and The Shri Ram School. Mr Bhasin has also served as the Chairman of India's National Association of Software & Services Companies (NASSCOM) and is the current Chairman of the CII Services Council.

Mr Bhasin has no shareholding in the Company.

Details of his directorship and committee membership are as follows-

Directorships in other public companies	Committee Membership
New Delhi Television Ltd.	Audit Committee
Bank of India Limited	Audit Committee
The Skills Academy Ltd.	-
Fragility Ltd.	-

The Company has received a notice under Section 257 from a member signifying his intention to propose the candidature of Mr Bhasin at the forthcoming Annual General Meeting.

None of the Directors of the Company other than Mr Pramod Bhasin is concerned or interested in the Resolution. The Board of Directors recommends the resolution for approval of the members.

#### Item No. 6

By a resolution dated 25.07.2008, the shareholders had appointed Mr Arun Bharat Ram as Chairman with Executive power of the Company for a period of five years with effect from 15.06.2008.

The existing tenure of Mr Arun Bharat Ram continues upto 14.06.2013. His re-appointment effective from 15.6.2013 requires approval of the members.

It is proposed to re-appoint him for a further period of 5 years with effect from 15.06.2013 and 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 and are essentially the same as at present.

The detailed terms stated in the resolution constitute the terms of re-appointment of Mr Arun Bharat Ram for the abstract required in terms of section 302 of the Companies Act, 1956.

Mr Arun Bharat Ram (72) 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.

Mr Arun Bharat Ram is a member of the Shareholders'/Investors' Grievance Committee and Committee of Directors- Financial Resources and has no shareholding in the Company.

Directorships in other public companies	Committee Membership
DCM Shriram Consolidated Limited	Audit Committee
J K Paper Limited	Audit Committee Shareholders/Investors Grievance Committee Remuneration Committee*
SRF Holiday Home Limited	-
SRF Fluorochemicals Limited	-
SRF Energy Limited	-
Shri Educare Limited	-

\*Chairman

Mr Arun Bharat Ram is interested in the resolution. Mr Ashish Bharat Ram and Mr Kartikeya Bharat Ram, who are relatives of Mr Arun Bharat Ram, may be deemed to be interested in the resolution.

No other Director of the Company is concerned or interested in the resolution. The Board of Directors recommends the resolution for approval of the members.

Inspection: Relevant documents referred to in the notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 A.M. and 1.00 P.M. upto the date of the meeting and at the venue of the meeting on the date of the meeting.

#### Important communication to members

The Ministry of Corporate Affairs has taken a 'green initiative in the corporate governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, 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 fill the appropriate column in the members' feedback form (sent herewith) and register the same. Postage for sending the feedback form will be borne by the Company. You may also log on to the Company's website [www.srf.com](http://www.srf.com) to register your consent.





## Directors' Report

Your Directors are pleased to present the 42nd Annual Report for the year ended March 31, 2013.

### FINANCIAL RESULTS

(₹ crores)

	2012-13	2011-12
Net sales	3312.77	3512.73
Profit before interest, depreciation & tax (PBITD)	619.29	829.62
Less: Interest & finance charges (Net)	82.42	102.08
Gross profit	536.87	727.54
Less: Depreciation and amortisation charge	184.28	161.68
Profit before tax (PBT)	352.59	565.86
Less: Provision for taxation including deferred tax charge	94.08	178.48
Profit after taxation (PAT)	258.51	387.38
Add: Profit brought forward	1104.95	931.56
Surplus available for appropriation	1363.46	1318.94

### APPROPRIATION

(₹ crores)

	2012-13	2011-12
Interim dividend on Equity Shares	57.42	81.23
Corporate Tax on Dividend	9.32	13.18
Amount transferred to General Reserve	25.85	40.00
Amount transferred to Debenture Redemption Reserve	75.00	75.00
Amount transferred to Special Economic Zone Re-investment Allowance Reserve	-	5.50
Profit carried to Balance Sheet	1195.87	1104.03
<b>Total</b>	<b>1363.46</b>	<b>1318.94</b>



### EQUITY DIVIDEND

During the year, your Company has paid two interim dividends each of ₹5 per share aggregating to ₹10 per share, amounting to ₹66.74 crores (inclusive of tax of ₹9.32 crores). The Board of Directors of the Company has not recommended any final dividend.

### OPERATIONS REVIEW

Net sales of the Company decreased marginally by 5.69 per cent from ₹3512.73 crores in 2011-12 to ₹3312.77 crores in 2012-13. Due to increase in closing stock and employee benefit expenses, Profit before interest, depreciation and tax (PBITD) including 'other income' decreased from ₹829.62 crores in 2011-12 to ₹619.29 crores in 2012-13.

Profit before tax (PBT) decreased by 37.69 per cent from ₹565.86 crores in 2011-12 to ₹352.59 crores in 2012-13 mainly on account of higher depreciation and power & fuel expenses. After accounting for the provision for taxation of ₹94.08 crores, which includes deferred tax charge and provision relating to earlier years, profit after tax (PAT) fell by 33.26 per cent from ₹387.38 crores in 2011-12 to ₹258.51 crores in 2012-13.

Pursuant to the United Nations Framework Convention on Climate Change and Kyoto Protocol to which India is a signatory, your Company had undertaken to reduce the emission of HFC- 23 which is a by-product of HCFC-22 (one of the refrigerant gases produced by the Company in Bhiwadi,

Rajasthan) through thermal oxidation which enabled us to have issuance of Certified Emission Reduction (CER) upto 3.8 million per annum.

The project was conceived to reduce greenhouse gases, generate revenue stream and contribute to the sustainable development, as mandated under CDM process of Kyoto Protocol. The project got initiated in July 2004 and the Revenue stream from sale of CERs commenced from financial year 2005-06. European Union disallowed use of CER certificate for compliance purposes w.e.f. January 2013 resulting in no demand for the CERs.

Your Company has however ensured maximisation of revenue stream whilst meeting sustainable development goals and sold all CERs received till December, 2012. Accordingly the company will have no revenue stream from sale of CERs henceforth.

### 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.

### Subsidiary Companies

#### SRF Global B.V.

SRF Global B.V. is a wholly owned subsidiary of the Company incorporated in the Netherlands. During the year, it has incurred



a loss of US\$ 8.27 lakhs (equivalent to ₹449.14 lakhs) mainly on account of interest expenses.

#### SRF Industries (Thailand) Limited

A wholly owned subsidiary of SRF Global B.V. is a company incorporated in Thailand and engaged in the manufacture and distribution of nylon tyre cord. For the year 2012-13, the turnover of the company was THB 2074.31 million (equivalent to ₹38457.62 lakhs) and the company made a profit of THB 117.66 million (equivalent to ₹2181.49 lakhs). This company is also setting up a plant to manufacture Biaxially Oriented Polyethylene Terephthalate film with a capacity of 28500 TPA which is expected to commence commercial production during the first quarter of 2013-14.

#### SRF Industex Belting (Pty) Limited

A wholly owned subsidiary of SRF Global B.V. is a company incorporated in South Africa and engaged in the manufacture of belting fabrics. For the year 2012-13, the turnover of the company was ZAR 156.16 million (equivalent to ₹9193.22 lakhs) and the company made a profit of ZAR 3.95 million (equivalent to ₹232.63 lakhs).

#### SRF Overseas Limited

A wholly owned subsidiary of SRF Global B.V. is operating out of Dubai and is an arm of the Technical Textiles Business (TTB) targeted at the markets of Middle East, Europe and Africa. During the year 2012-13, turnover of the Company was AED 78.27 million (equivalent to ₹11567.41 lakhs) and the company incurred a loss of AED 14.29 million (equivalent to ₹2112.37 lakhs). During the year, the company had reviewed its property, plant and equipment for impairment. The realisable value of the above has been worked out based on the value in use as a single cash generating unit. The value in use has been worked out to be AED 20 million (equivalent to ₹2956 lakhs) and thus an impairment of AED 4.859 million (equivalent to ₹718.08 lakhs) has been provided on the carrying value of the property, plant and equipment.

#### SRF Flexipak (South Africa) (Pty) Limited

A wholly owned subsidiary of SRF Global B.V., which is setting up a greenfield project to manufacture Biaxially Oriented Polypropylene film in South Africa with a capacity of 25500 TPA. The project is expected to commence commercial production in the second quarter of 2013-14. For the year 2012-13, the company has incurred a loss of ZAR 12.01 million (equivalent to ₹707.30 lakhs) mainly on account of interest expenses.

#### SRF Fluor Private Limited

It is a wholly owned subsidiary of the Company set up as an investment holding company to make investments in overseas companies engaged in manufacturing activities. During the year



2012-13, it has incurred a loss of USD 0.11 lakhs (equivalent to ₹6.23 lakhs).

#### Other Subsidiaries

**SRF Transnational Holdings Limited** earned a net profit (PAT) of ₹70.85 lakhs during the year 2012-13.

**SRF Properties Limited** earned a net profit (PAT) of ₹19.72 lakhs during the year 2012-13

**SRF Holiday Home Limited** has incurred a loss of ₹0.15 lakhs during the year 2012-13.

**SRF Fluorochemicals Limited** and **SRF Energy Limited** had not started any activities.

Annual accounts of the subsidiary companies and the related detailed information can be obtained on request by the shareholders of the Company and of the subsidiary companies. These are also available for inspection at the Corporate Office of the Company and at the respective registered offices of the subsidiaries between 11 A.M. to 1 P.M. on all working days.

#### DIRECTORS

Mr Vinayak Chatterjee and Mr Tejpreet Singh Chopra are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-election.

The Board has subject to approval of the Members in General Meeting, re-appointed Mr Arun Bharat Ram for a further period of five years, with effect from 15.6.2013.

Mr Pramod Bhasin was co-opted as an Additional Director during the year. His term of office as an Additional Director is expiring at the ensuing Annual General Meeting and being eligible offers himself to be appointed as regular Directors of the Company.

Brief resume of the Directors offering himself for re-appointment is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the Company for the period under review;
- (iii) that the Directors have 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; and
- (iv) that the Directors have prepared the annual accounts for the year ended March 31, 2013 on a 'going concern' basis.

The Company is controlled by Arun Bharat Ram Group ("Promoter Group") being a group as defined under the erstwhile Monopolies and Restrictive Trade Practices Act, 1969. The Promoter Group consists of various individuals and corporate bodies who are in a position to and who jointly exercise control over the Company.

A list of these individuals and corporate entities is as follows:

- a) Arun Bharat Ram
- b) Ashish Bharat Ram
- c) Kartikeya Bharat Ram
- d) Mrs Shiela Bharat Ram
- e) Mrs Vasvi Bharat Ram
- f) Mrs Radhika Bharat Ram
- g) KAMA Holdings Ltd.
- h) KAMA Realty (Delhi) Ltd.
- i) Srishti Westend Greens Farms Private Limited
- j) Karm Farms Private Limited
- k) Karmav Holdings Private Limited

- l) Skylark Investments & Trading Pvt. Ltd.
- m) Shri Educare Limited; and
- n) Shri Educare Maldives Private Limited

### LISTING OF EQUITY SHARES

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

### CORPORATE GOVERNANCE

Certificate of the auditors of your Company regarding compliance of the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges is attached to the report as "Annexure -1".

In compliance with the requirements of Clause 49(V), a certificate from Managing Director and the President & Chief Financial Officer 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](http://www.srf.com))

### CONSOLIDATED FINANCIAL STATEMENT

In accordance with the accounting standard (AS-21), your Directors are pleased to attach the consolidated financial statements, which form part of the Annual Report and Accounts.

### ACCOUNTS AND AUDIT

The auditors, M/s Deloitte Haskins & Sells retire at the conclusion of the 42nd Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the auditors are explained wherever necessary in appropriate notes to the accounts.

### 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, has been appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2013-14 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 Accountant, has been appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2013-14 in respect of all the relevant product groups of Chemicals Business and Packaging Films Business of the Company.

Mr Harkesh Tara, has been nominated as the Lead Cost Auditor of the Company.

The Cost Audit reports for audit of the said' products for the year 2011-12, conducted by Mr Harkesh Tara, Cost Accountant (M. No. 17321) and M/s Sanjay Gupta & Associates, Cost Accountants (M. No. 18672). The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2012 was February 28, 2013 and the Cost Audit Reports were filed with the Ministry of Corporate Affairs on January 27, 2013.

#### INTERNAL CONTROL SYSTEM

The Company's internal control system includes audit and verification of compliance with defined policies and procedures by Internal Audit Function. The internal auditors independently evaluate the adequacy of internal controls and audit the sample of the transactions in value terms. Independence of the audit is ensured by the direct reporting of internal audit function to the Audit Committee of the Board.

#### FIXED DEPOSITS

Your Company discontinued accepting/renewing fixed deposits since 14 August 2004. Deposits accepted from Public which have matured and are unclaimed are being reflected under "Unclaimed fixed deposits (including interest)" in Other current liabilities (Note no. 8 forming part of the financial statements for the year ended March 31, 2013).

#### PERSONNEL

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of

Employees), Rules, 1975, as amended, the names and other particulars of employees are set out in the "Annexure – 2" to the Directors' Report.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The details as required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given as "Annexure - 3" to the Directors' report.

#### INDUSTRIAL RELATIONS

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

#### 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 3, 2013

Place: Gurgaon

**Arun Bharat Ram**

Chairman



## Annexure 1: Auditors' Certificate on Corporate Governance

### To the Members of SRF Limited

We have examined the compliance of conditions of Corporate Governance by SRF Limited, for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement(s).

We further 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  
(Registration No. 015125N)

**Manjula Banerji**

Partner

(Membership No. 086423)

Gurgaon, May 3, 2013



## Annexure 2 : Annexure to Director's Report (Statement Pursuant to Section 217(2A) of the Companies Act, 1956)

S. No.	Name	Business	Age (in years)	Designation	Remu. (₹ in lakhs)	Qualification	Exp	DOJ- SRF Ltd	Last Employment
1	Arun Bharat Ram	HO	72	Chairman	493.30	B.Sc (Indl Engg)	46	1-May-72	Manager, Textile Div, DCM Ltd
2	Ashish Bharat Ram	HO	44	Managing Director	286.16	MBA	22	2-Sep-02	MD, SRF Overseas Ltd
3	Kartikaya Bharat Ram	HO	42	Dy Managing Director	257.47	MBA	19	5-Jul-93	NA
4	Roop Salotra	CB	62	President & CEO (CB & PFB)	175.10	B.E.	41	1-Jun-89	Fenner India Ltd
5	Sushil Kapoor	TTB	53	President & CEO (TTB)	175.10	B.Tech	30	1-Jul-82	NA
6	Rajendra Prasad	HO	55	President & CFO	132.62	CA, DISA, CISA (USA)	31	20-Mar-06	Country Controller, American Express Bank
7	Rajdeep Anand	CTG	61	President (CTG)	175.21	B.Tech	41	29-Mar-93	Chief Executive, Chem Aides
8	Suresh Kannan	TTB	45	Sr. Vice President and Business Head (Coated, Belting & Laminated Fabric, B-R&D)	79.15	B.Tech	24	5-Jun-89	NA
9	Anoop K Joshi	HO	52	Sr. Vice President & Company Secretary	77.09	FCA, FCS	29	10-Feb-86	Audit Manager, Dass Gupta & Co. Chartered Accountants
10	Sanjay Chatrath	TTB	49	Sr. Vice President, NTCF and PYF	76.62	B.Tech	27	7-Jun-85	NA
11	Suresh Dutt Tripathi *	HO	52	President (Corporate HR)	51.39	M.Sc, PGDSW	30	11-Feb-02	Principal, Mgt Consultancy MASCON Global Limited

\*Employment for the part of the year

Notes: 1. Remuneration comprises salary, allowances, perquisites, commission paid and Company's contribution to Provident Fund and Superannuation Fund, 2. All appointments are contractual in nature, 3. There are no employee in the services of the Company within the category covered by sub section (a)(iii) of section 217(2A) of the Companies Act, 1956, 4. None of the above employees other than Mr Arun Bharat Ram who is a relative of Mr Ashish Bharat Ram and Mr Kartikaya Bharat Ram is a relative of any director of the Company

## Annexure 3 : Annexure to Director's Report (Pursuant to Section 217(1) (e) of the Companies Act, 1956)

### A. Conservation of Energy – Measures taken:

#### 1. Technical Textile Business, Kashipur

- Saving of 37,440 kWh / annum by switching off one of the two dust collectors through shifting of dust collector nearer to dust generating area & duct modifications.
- Saving of 1,37,808 kWh / annum by installation of VFD in 55 KW TFH Circulating Pump .
- Saving of 31.2 Ton / annum of Furnace Oil by Installing Air Pre Heater ( APH) in Thermic Fluid Heater.
- Saving of 28,224 kWh / annum by replacing 3 No High Wall Split Air Conditioners with Chilled water based AHU's

- Saving of 1,03,680 kWh / annum by replacing 2 No Electric heating units with Thermic Fluid heating in HL

#### 2. Technical Textile Business, Manali

- Saved 17166 kWh /month Enhancing the capacity of cooling tower pump to 90 KW and stopping of running one 75 KW and one 55 KW pumps.
- Saved 6666 kWh /month Isolation of Loom air supply during stoppage for loom for more than 5 minutes.
- Saved 12500 kWh /month Stoppage of Main Motor in drapper loom automatically during loom stoppage for more than 5 minutes

- Saved 8333 kWh/month Inverter provision for K1 air compressor to control the loading based on HP air pressure.
- Saved 2416 kWh/month by running air washers instead of AHU's during winter.
- Saved 3583 kWh/month Conversion of 40 W Tube light fittings in Plant 2 Poly & Spinning to 28 W fitting.
- Saved 1000 kWh/month Provision of overhead tank for DM water storage in AQ lab to avoid frequent ON/OFF of pump.

### 3. Technical Textile Business, Viralmalai

- Improved Specific fuel consumption by installation of energy efficient DGS. Results in fuel efficiency improved from 3.27 units /Ltrs to 3.55 units/Ltrs.
- Achieved a savings of 456 units/month by replacing of Mercury Vapour lamp 250W to LED fittings 10 Nos in Street lightings.
- Achieved a savings of 1000 units /month by introducing the Load energy saver in Warp twister.
- Achieved a savings of 600 kWh/Month by providing Timer based Controller in HSD Cooling tower Motor.

### 4. Technical Textile Business, Gwalior

- Power saving in Main Substation by Switching off idle 5 MVA, 33/6.6 KV, Transformer
- Optimise the Lux level in Textile Plant-1 by replacing 2 X 36 Watt tube light with 2 X 28 Watt T-5 energy efficient 1000 nos. of tube lights.
- Power saving of 8.7 KW/Hr by installation of Energy efficient Chilled water booster pump of 30 KW in Poly
- Power saving of 10.8 KW/Hr by installation of Energy efficient Raw water pump of 18.5 KW in utility.
- Power saving of 7 KW/Hr by installation of VFD's in Coal boiler FD fan to optimize RPM of the Fans
- Power saving of 30 KW/Hr by Installation of Energy efficient PSA nitrogen plant
- Power saving of 18.6 KW/Hr by installing FRP boxes in Toray twister motor exhaust system

### 5. Technical Textile Business, Gummidipoondi

- Achieved a saving of 12200 kWh/month of power

through optimisation of HT & LT air compressors operation by reducing the air pressure at dipping & nitrogen plant at 7 kg/cm<sup>2</sup> instead of 9 kg/cm<sup>2</sup>

- Achieved a saving of 2520 kWh/month by reducing the suction gun air pressure of 15 kg/cm<sup>2</sup> to 14 kg/cm<sup>2</sup>.
- Achieved a saving of 3289 kWh/month by reducing the speed of cooling tower fan based on cooling water supply temperature.

### 6. Packaging Film Business, Indore

- Saved 356400 kWh/annum by modifying Thermic Fluid Injection Loop of Line 1
- Saved 302280 kWh/annum by through energy conservation steps to reduce chiller load
- Saved 165000 scm/annum of CNG by installing TDO catalytic filters for oligomer removal.
- Saved 91250 kWh/annum by changing the position of RTD at heater H102 in Dryer system of Line 2 for best controlling of heaters to reduce losses.
- Saved 50005 kWh/annum by automation of lighting consumption on different areas.
- Saved 24090 kWh/annum by modifications in some motors (connections changed from Delta to star)
- Saved 15382 kWh/annum by replacing trim mill ejector motor (15KW) with 11 KW motor through proper analysis.
- Saved 1.55 crores by using multiple fuel options such as HSD and CNG in Thermic Fluid Heater
- ₹30 Lacs received as additional incentive (from Apr'12-Mar'13) from MPAKVN for improving average power factor from 0.985 to 0.995

### 7. Packaging Film Business, Kashipur

- Replaced Furnace oil fuel based Heater to Rice Husk fuel based heater for fuel cost reduction.
- 100 % utilization of centrifugal type refrigeration compressor. Saved 180210 kWh
- Cooling Tower fan energy requirement optimized by replacing 15 KW motor to 11 KW motor. Saved 18855 kWh.

## 8. Chemicals Business, Bhiwadi

- Installation of 18 KW cooling water pump and stopping 75 KW for rotary UPS saving ₹4.94 lakhs / annum
- Replacement of Fluorescent Lamps with CFLs saving ₹3.95 lakhs/annum
- Optimization of FS plant utilities by installing VFDs in cooling water saving ₹6.9 lacs/annum
- Use of FO in place of HSD saving ₹55 lakhs/annum

Power and fuel consumption	2012-13	2011-12
<b>ELECTRICITY</b>		
<b>a) Purchased</b>		
- Total units (000 kWh)	252475.48	265615.19
- Total amount (₹ lakhs)	17290.52	14032.58
- Rate/Unit (₹)	6.85	5.28
<b>b) Own Generation</b>		
- <b>Through Diesel (000 kWh)</b>	8861.09	4346.94
- Units per KL of Diesel Oil	3872.98	2732.68
- Cost/Unit (₹)	16.11	12.58
- <b>Through Furnance Oil (000 kWh)</b>	8504.08	5399.41
- Units per KL of furnance Oil	4504.06	3992.79
- Cost/Unit (₹)	12.27	10.90
- <b>Through Coal</b>	59202.50	41315.27
- Unit per MT of Coal	854.71	847.38
- Cost/Unit (₹)	5.89	5.10
- <b>Through Windmill (000 kWh)</b>	32175.16	21282.38
- Total amount (₹ lakhs)	367.24	172.74
- Cost/Unit (₹)	1.14	0.81
<b>OTHERS</b>		
<b>a) Fuel (for oil boiler)</b>		
- Quantity (K. Litres)	8349.71	14799.61
- Total cost (₹ lakhs)	3304.86	5412.60
- Rate/Unit of KL (₹)	39580.54	36572.57
<b>b) LPG</b>		
- Quantity (K. Litres)	5149.13	2786.49
- Total cost (₹ lakhs)	3318.57	1532.58
- Rate/MT (₹)	64449.12	55000.41
<b>ELECTRICITY (KWH/MT)</b>		
- Yarn	2120.30	2023.11
- Fabric	3645.26	4033.22
- Fluorochemicals	962.98	908.72
- Chloromethanes	349.84	347.80
- Polyester Films	2590.20	2253.79
- Nylon Chips	501.33	493.11
<b>LPG (KGS/MT)</b>		
- Fabric	137.32	95.06
<b>STEAM (MT)</b>		
- Yarn	3.97	3.71
- Fabric	-	-
- Fluorochemicals	1.67	1.67
- Chloromethanes	1.33	1.32



## B. Technology Absorption

### Research and Development

SRF's Chemicals R&D is actively engaged in development of new products and processes at its centers in Bhiwadi and Chennai, India. It focuses on customer-tailored product development, with all processes developed by the research team being industrially validated. The processes developed by in-house research teams have successfully delivered products in commercial quantities to global agrochemical and pharmaceutical majors, creating a basis for enduring and synergistic partnerships. At its new site at Dahej, a couple of projects have already been commercialised and more are in pipeline, based on in-house technologies. SRF has a vision of innovation-led growth in specialty chemicals, and the R&D team is building on its expertise with many more platform chemistries and process technologies to actualize this vision in the years to come.

The R&D Centre of TTB is located at Manali, Tamil Nadu. It is equipped with state-of-the-art Pilot plants and sophisticated testing laboratories for testing of polymers

and fibres. These facilities are being used for development of new products in the field of Polymers, Fibres and Technical Textiles. One of the products developed by TTB-R&D for auto safety segment was commercialized during the year. Besides several research projects are in progress with leading Indian and Overseas academic and research institutes.

SRFs Engineering Plastics Application Research Centre is located at Manali, Tamil Nadu. It is equipped with application oriented testing centre, material flow studies facility and Pilot plant for developing new products. The New product developing team is continuously developing new products for automotive and electrical Industry and the same are being used by leading Indian and global companies. This has also helped us in promoting our products in international markets and Launch some new polymers. The major Products developed in this centre meet Indian market conditions, our products brings advantage by making vehicles lighter in terms of weight therefore it results saving in fuel consumption and protects our environment.

	(₹ lakhs)	
Expenditure on R&D	2012-13	2011-12
Capital	360.59	617.68
Revenue	2776.72	2098.94
Total	3137.31	2716.62
Total R&D expenditure as per cent of turnover	0.95%	0.77%

## C. Foreign Exchange Earnings & Outgo

	(₹ lakhs)	
Particulars	2012-13	2011-12
Foreign Exchange Earnings	108354.60	122036.95
Foreign Exchange Outgo	106030.81	93326.57
Net Foreign Exchange Earning	2323.79	28710.38



## Management Discussion and Analysis

It was a turbulent time for most companies in the year gone by. The impact of a prolonged global economic crisis was detrimental to the international trade. In India too, the economic growth experienced a rare slowdown falling to 5 per cent following the 6.9 per cent recorded during the previous year. Faced with such a difficult scenario, SRF remained focused on improving its internal efficiencies and keeping its costs under control.

### Highlights of the company's financial performance during 2012-13

- net sales from operations declined by 5.69 per cent from ₹3512.73 crores in 2011-12 to ₹3312.77 crores in 2012-13
- profit before tax (PBT) down by 37.69 per cent from ₹565.86 crores in 2011-12 to ₹352.59 crores in 2012-13
- profit after tax (PAT) down by 33.26 per cent from ₹387.38 crores in 2011-12 to ₹258.51 crores in 2012-13
- earnings per share down by 31.31 per cent from ₹65.55 in 2011-12 to ₹45.02 in 2012-13

### Businesses

SRF has a portfolio of established businesses in industrial intermediates and also a portfolio of businesses which are being nurtured and developed in laminated and coated fabrics and fluorospecialities. It classifies its main businesses as: Technical Textiles Business (TTB), Chemicals & Polymers Business (CPB) and Packaging Films Business (PFB).

#### TECHNICAL TEXTILES BUSINESS

With a figure of ₹1667.88 crores, the overall sales of Technical Textiles Business (TTB) has been flat year on year in value terms. This has been largely due to falling prices which were driven by softening commodity prices. The fall in prices was, however, compensated by increase in revenues from newer business segments viz. laminated fabrics and new products under coated fabrics. The business continues to contribute more than 50 per cent of the topline of the company.

#### Tyre Cord Reinforcement

On the whole, the Nylon Tyre Cord Fabric (NTCF) business continues to be stable with a market share of close to 40 per cent in the Indian market. As a supplier to the bus and truck tyre industry, the fortunes of NTCF business are dictated by the GDP growth curve of the country. Whilst the first half of the fiscal year posted good volumes, the numbers in the second half reflected the slowdown in the economy.

The volume of the Polyester Tyre Cord Fabrics (PTCF) business, which caters to the radial tyre segment of passenger cars and light commercial vehicles, could not take off in a significant way due to a sharp fall in automotive production in the country and substantial



glut in the fabric producing industry globally. The company is engaged in the process of diversifying its product portfolio at the yarn stage to move towards full utilisation of its capacity. In this context, it has made initial forays in seat belts and geo textiles segments of the market, which bodes well for the future.

### Belting Fabrics

The business which is the second largest producer of belting fabrics in the world, faced a contracting market in the second half of the year on account of the recession in the developed parts of the world. The company, however, took steps to beef up its order books in the domestic market to make up for the lost volumes partially. Whilst, the potential of the business promises a lot, there is still some distance to go since the key infrastructure projects in the country, whether Mining, Power or Construction, continue to be delayed. Meanwhile, the performance was adversely affected on account of an increase in input cost which the business has not been able to fully pass on to its customers.

The South African subsidiary, which had a difficult 2011-12, posted a turnaround with improved financial results. The demand in the second half of the year has been significantly better than the first half with the entity restoring its strong market presence in the domestic South African market and also initiating sales in Latin America. The strategy is expected to serve the entity well in the coming year.

### Coated and Laminated Fabrics

The Laminated Fabric Business has established a good base level with a market share of over 25 per cent in the country within a couple of years of its existence; it is now the second largest player in the country and has set up the first Hot Lamination Facility in the country to be able to expand its product range and compete effectively with overseas players at the higher end of the segment.

The Coated Fabric Segment posted a 10 per cent year on year growth in volume and expanded its product range considerably using the new facility at Gummidipoondi. The business was expected to do better but has been affected adversely by the poor monsoon and lower movement of the goods during the year (a significant volume of its sales are driven by the transportation sector). The business has a market share of over 40 per cent in the country and is a clear leader in this segment.

### Industrial Yarn Business

SRF continues to be the supplier of choice in many of the Industrial Yarn segments of Nylon and Polyester viz. Conveyor Belts, Transmission Belts, Ropes, Geo Textiles, Fishnets etc. In the organised sector, SRF continues to be a leader and also enjoys its reputation as a value provider.

### Outlook

With the slowdown in the infrastructure development of the country, it is expected that the radialisation in the bus and truck segment would be adversely affected. This is likely to benefit the NTCF segment of TTB since the demand for bias tyres is



expected to remain the same or increase marginally (bias tyres are better suited for bad roads in comparison to radial tyres).

In the emerging circumstances, therefore, the NTCF segment will continue to remain a foundation business for the company, which may show marginal growth over the next few years in tune with the GDP growth of the country.

Given the growth potential of the passenger car and LCV car segment, which essentially uses radial tyres, SRF's investment in the PTCF segment appears appropriate for the long term. The fact that SRF is the only manufacturer of PTCF in the country lends further credibility to the claim even though the business continues to face difficulties in the shorter run.

The company would continue to focus on identifying overseas markets. The expanded product range, which includes yarn for Geo Textiles and Seat Belts, is expected to aid the process of utilising full capacity of the yarn plant by the second half of the forthcoming year.

With the successful launch of Hot Lamination Products during the year, SRF expects to start reaping the benefits of sales at the higher end of the laminated fabrics, this year. The overall sales of laminated fabrics are expected to go up substantially and improve the financial performance of this segment.

As regards coated fabrics, several new products such as Pagodas, Double Sided Striped Awnings and Lacquered Tarpaulins (printable) have been seeded in the market towards the end of the last financial year. The new products offer possibilities of significant growth in the coming years. The company has also initiated exports to Middle East and South East Asian countries and wishes to expand the geographical territories to help the process of capacity utilisation. Having been an early mover in this segment and a clear leader, SRF believes that the point of inflection is not far away and as and when the opportunity knocks on its doors, the company will be in a position to fully reap the benefits.

## CHEMICALS & POLYMERS BUSINESS

The manufacturing operations of SRF's Chemicals Business (CB) are located at two locations: Bhiwadi in Rajasthan about 70 kilometres from New Delhi, and a greenfield site at Dahej in Gujarat. The business derives its revenue from the sale of fluorine-based refrigerants, chloromethanes, fast-growing specialty fluorochemicals and engineering plastics.

2012-13 was a year of challenges for CB as well. European players were exporting competing products into the country at very low prices to keep their plants running as the demand in the developed countries has gone down substantially in view of the economic downturn. The company is taking necessary steps under the international treaty, WTO, to discourage such sales. In the fluorospecialties segment, further strategic tie-ups with global agro and pharma majors were established. New products were introduced and fructification of others is in the pipeline.



## Refrigerants

Refrigerants are primarily used as a cooling medium in the air-conditioning and refrigeration industry. SRF continues to be one of the larger and more credible players in the industry globally. It is the domestic market leader with about 40 per cent share. Exports of the business are spread across 60 countries worldwide, and account for over 60 per cent of the volumes produced.

SRF's portfolio of refrigerants includes hydrochlorofluorocarbon-22 (HCFC-22), the new-generation refrigerant, hydrofluorocarbon-134a (HFC-134a), and the refrigerant blend R410A. The company continues to invest in further capacities of HFC-134a/125 keeping in view the medium and long-term growth of India's automobile industry, as well as in the rest of the developing world. Demand for HCFC-22 for air-conditioning would start contracting slowly on account of the phasedown mandated under Montreal Protocol. The company is in the process of finding alternate applications for HCFC-22 to ensure full usage of its capacities.

The market for refrigerants was almost flat during 2012-13 on the back of slow sales of air-conditioners and automobiles, key indicators highlighting the weak economic growth in the country. The company looks forward to a recovery during FY2014. The medium-term outlook for refrigerants looks bright based on the economic growth projected for India, especially for consumer durables like air-conditioners and refrigerators, as well as automobiles.

## Chlorinated Solvents

SRF's main products in the chloromethanes business are methylene chloride and chloroform. While chloroform is internally consumed for manufacturing HCFC-22, methylene chloride is sold primarily in the domestic market.

In 2012-13, the profitability of the chloromethanes segment fell sharply as a result of low-priced imports and rising input costs in the domestic market. This had started towards the second half of 2011-12 and continued through 2012-13. The company expects the situation to improve with the recovery of the Indian economy. Currently, strong relationships with customers, high product quality, efficient production, and short delivery lead times continue to be key differentiators vis-à-vis imports.

SRF has introduced two new products – trichloroethylene and perchloroethylene – towards the end of the year. Trichloroethylene is a backward integration to the HFC-134a production facility and is used primarily as a feedstock. Perchloroethylene is used as a solvent in the laundry, metal degreasing and vapour degreasing industries. It is also a feedstock for HFC-125 and HFC-134a for some producers. There is no domestic producer of perchloroethylene with the entire demand being met through imports. SRF aims to become a major supplier for these products in the domestic market over the next year.

### Fluorospecialities

Building on its presence in the fluorine chemistry industry for almost two decades, the company had entered the space of specialty fluorine chemistry in 2003-04. Being a chemicals intermediate company, the focus has been to leverage the company's expertise to produce intermediates and advanced intermediates, used to manufacture Active Pharmaceutical Ingredients (APIs) and agrochemicals by its customers. Apart from fluorinated intermediates where fluorine-based specialty chemicals are finding increasing usage in the fields of agrochemicals, pharmaceuticals and performance products, non-fluorinated specialty products are being selectively explored for commercialisation.

In order to keep the momentum going, the strength of R&D and process engineering has substantially been augmented, with a number of projects in various stages of implementation. The business is now engaged with reputed domestic and global innovators for new range of products.

### Engineering Plastics

Engineering Plastics Business comprises of products made from polymers like polyamides (N6 & N66), poly butylenethalate (PBT) and poly carbonates (PC). The business continues to maintain its leadership position in the domestic market. One of the key markets, the automotive segment has slowed down in the year resulting in pressure on growth and margins. The business, however, grew marginally and improved its margins significantly.

Leveraging its product development capability, SRF also developed high end products for its customers in the auto and electrical segment and obtained product approvals from some of the prestigious customers both in India and abroad.

### Outlook

The Chemicals Business had been on the growth path over the past few years mainly driven by strong commodity upswing and R&D led innovations in specialty products. Though the commodity cycle has been on the downtrend resulting in softer profitability, SRF has maintained its market share and sales volumes, and the profitability would rebound when the commodity cycle swings back. The fluorospecialty business expanded its overseas presence by adding more volumes to existing customer base. Leveraging the solid foundation of in-house technological capability, the focus is currently on developing and launching new-generation refrigerants along with specialty products.

During 2013-14, the business is expected to derive value from the new chlorinated solvents being manufactured at its Dahej facility, which is now functional. In addition, the investment in a new HFC-134a/125 plant in Dahej will come up at the end of 2013-14. The upcoming plant will be backward integrated with a global size HF plant to meet the production need.

In fluorospecialities, the business is expected to expand its horizons and the range of speciality products coming out of Dahej. The business is continuing to build on its reputation and credibility with the global agrochemical and pharmaceutical majors.

SRF has been making large investments in the Chemicals Business



and the plans are afoot to ensure successful commissioning and consolidation of new units so that the company starts generating returns on these investments going forward.

### PACKAGING FILMS BUSINESS

The Packaging Films Business (PFB) faced its own share of challenges during the year. The current installed polyester film capacity in India is almost twice that of domestic demand. The demand supply imbalance, coupled with increasing raw material prices put extreme pressure on the business profitability. However, relentless focus on creating and sustaining export base along with robust FMCG growth of ~15% per annum in India offered some respite and helped the business sail through the turbulent times. Overall, business EBIT fell from ₹16 crores in 2011-12 to ₹4.5 crores.

The business focused on strengthening exports capability to mitigate domestic volatility and as a result, achieved its highest ever export sales during the year. SRF also remained the largest polyester film exporter from India.

It also took on the challenge of further improving the cost structures and efficiencies and switched to husk as a fuel option in the Kashipur unit, resulting in sustained savings in the fuel cost. The business was once again the proud recipient of the EPCES Export Award in Category II Product Specific SEZ (Plastic Products) for the sixth consecutive year.

### Outlook

Global demand of polyester films is expected to grow at around 6 per cent per annum. However, given the huge supply overhang, the current commodity 'down cycle' is likely to continue for some time. Currently prevailing low margins would discourage new investments, which should improve the demand supply situation going forward.

In order to counter the challenges posed by the current down cycle, the business has carved out a clear cut strategy of continued focus on exports (especially to the developed world), nurturing long term strategic partnerships with its customers, building a rich portfolio of value-added films and dedicated efforts to improve operational efficiency for achieving cost competitiveness.

2013-14 will be a landmark year for the business as two new projects (BOPET Film line in Thailand and BOPP Film line in South Africa) would be coming on stream during the year.

### RESEARCH & DEVELOPMENT

SRF's Chemical R&D is actively engaged in the development of many new molecules at its Bhiwadi and Chennai R&D centers. This has been the lifeline for the growth of the Chemicals Business.

R&D filed 7 new process patents as intellectual property of the company during 2012-13 taking the total number of patents filed to 29 so far. The electrochemistry platform established in 2011-12 is now being extended to 2 more molecules. In a major



development, R&D commenced development work on pharma vertical to explore future molecules. Furthermore, to cater to the needs of pharma companies a Kilo lab facility will be established in 2013-14. The pilot plant at Bhiwadi was used to scale up R&D processes and generate data for commercial level for 8 molecules. Moreover, to meet the growing market demands, piloting capability will be doubled in the next 1 year. Three commercial plants based on in-house developed processes became operational in 2012-13 at the company's Dahej complex; while 3 more commercial plants to produce a total of 5 products will be operational in 2013-14.

The R&D centre of TTB is located at Manali, Tamil Nadu. It is equipped with state-of-the-art facilities including pilot plants and testing laboratories and is used for development of new products and new processes in the field of technical textiles. Products from these activities have been used by a leading European manufacturer as well as for in-house consumption. Besides, several research projects are in progress with leading Indian and overseas academic and research institutes.

SRF's Engineering Plastics Business has been leveraging its R&D capabilities to expand successfully in new products and also new polymers for its target segment (auto and electrical). The products have been successfully launched in the global markets.

### TOTAL QUALITY MANAGEMENT

The year 2012 was one of great accomplishment for SRF as its Chemicals Business successfully challenged the Deming Prize, the most coveted prize in quality awarded by the Union of Japanese Scientists and Engineers (JUSE). This makes SRF the proud winner of two Deming Prizes, with the tyre record business having achieved this distinction in the year 2004.

The Deming Prize is awarded to organisations who have



achieved outstanding business results through extraordinary practices in quality-centered management of their business, with customer as the focus and involving all employees in systematic, all-round improvements, sustained over a long period of time. That SRF CB has set global benchmarks in safety has been recognised as an outcome of its long term commitment and systematic approach to safety management.

Learning from the TQM journey and benchmark practices at the CB Bhiwadi plant, improvements are now being deployed to the greenfield site at Dahej in both upstream design work as well as in operations.

SRF's businesses continued to make progress on a strong backbone of the problem solving programme. With over 200 medium-term improvement projects and 31,000 kaizens completed during the year, and cumulatively over 640 certified problem solvers across SRF, both manufacturing and office-based transactional processes have been improved for quality, cost efficiencies and lead times. The sustained level of improvements has enabled all the businesses to retain their leadership in quality and cost competitiveness position.

The next strategic cycle for SRF's businesses is focused on realising gains from the new product pipelines spurred by in-house R&D efforts and from the international investments currently underway. TQM will continue to contribute to the company's strategy and build capabilities for sustained operational success in the future.

## INFORMATION TECHNOLOGY

This year SRF took big leaps in the core and support applications that will help improve customer responsiveness, enhance operational efficiency, reduce costs and improve employee productivity. The ERP, which forms the backbone of core operations of SRF, was re-implemented and upgraded to the latest version of Oracle Applications Suite (R12) running on new IBM virtualised servers and storage. The organisation went live in April 2013 on the new system which brings in various

improvements in established processes around deliveries, financial reporting and management, production management, quality management and inventory management. While reducing the risks of technology obsolescence, the company is optimally using these new solutions to get business improvements. In the year ahead the company plans to extend its ERP and communication solutions to its international units.

The productivity and communications suite at SRF was also upgraded to improve efficiency of employees with better working tools. All the underlying infrastructure applications were upgraded to reduce security risks emanating from outdated and unpatched systems. A unified communications solution based on Microsoft Technologies was additionally deployed to help teams stay updated on each other's presence and communicate faster using multiple mediums. This has helped SRF teams communicate easily across boundaries and attend to customer and operational issues faster.

Some of the other improvement projects completed during the year include Standardisation and Upgradation of the HR and Payroll systems, Upgradation of SRF's Intranet Sparsh to a new platform, and Upgradation of SRF's Business Intelligence Solution based on *Qlikview* to the latest version.

## HUMAN RESOURCES

The year 2012-13 was a year of improvements and change in most of the company's Human Resources systems and policies. Managing change was one of the key roles that HR played in 2012. Some of the important initiatives that were undertaken during the year included implementing the Horizontal and Vertical Promotion, Improvements in the new hire attraction and retention process, Implementation of HRIS for NMS and Design of Values Consequence Management system.

During the year, the company took steps towards implementing merit based HR systems like promotion qualifiers for vertical promotions and new bell curve distribution. Building on its existing systems, the company designed new methods of hiring







and engaging its entry level officers. The company's employee engagement scores increased by 4 points vis-a-vis 2010 figures with significant improvements on parameters like Job Content, Customers, Co-Workers, Policies, Career Opportunities and Independence. The attrition figures for officers in the last year stood at 13 per cent, which was an achievement with respect to the target and industry benchmark.

## COMMUNITY PARTNERSHIPS

In spite of a challenging business scenario SRF remained committed to extending the benefits of wealth creation beyond its business. Building on its legacy of social development, the company through its social wing, the SRF Foundation, undertook several new initiatives during the year to share prosperity with the community. Like earlier years, the Foundation partnered with other fellow corporates, government bodies, NGOs, employee volunteers and the community at large in the fields of education, vocational skills, health, natural resource management and affirmative actions.

Some of the key community development initiatives undertaken by SRF are;

### Education

In 2012-13, SRF launched the **Support My School** programme in three village school complexes in Mewat District of Haryana, under the flagship programme Mewat Rural Education Program (MREP). SRF Foundation in partnership with Coca Cola India/ Enrich Agro, Tetra Pak India and NDTV will be working to provide better access to toilet facilities for both boys and girls, improved access to drinking water, playground and sports equipment and libraries thereby impacting about 2500 children.

SRF also launched the **Reinventing Education Programme** in collaboration with IBM India, targeting 62 Government primary and middle school teachers of Mewat District. The programme aims to create a teacher community that is sensitive towards students learning needs, child rights and can implement effective teaching - learning processes.

**Avishkar**, the Mobile Science Van was also launched in 2012 for the purpose of promotion of science, right to education and community mobilisation. The van targets middle school students during school hours and community after school hours. In the year 2012-13, 201 community visits have been organised covering 14,326 students.

The **IBM KidSmart Programme**, in the year 2012, was expanded to Haryana, Rajasthan and Tamil Nadu. This has led to an 18.44 per cent increase in enrolment in all the schools. Some of the other important initiative included Basic Electrician Training and Low Cost Sanitary Project titled **RAHAT**.

SRF also launched a monthly Community Newsletter *Parvaaz* being circulated in Mewat, catering to community stakeholders; with the objective to inform and educate them about the various developmental initiatives being carried out so as to promote community participation in such programme.

### Natural Resources Management (NRM)

In its 7th year of implementation the NRM Project has so far benefitted 5100 families in 34 project villages. In 2012-13, under the NRM project 8 earthen check dams, *Paals* were constructed for groundwater harvestation, 258 Ha of waste land was levelled and 38,326 fruit and fodder trees were planted. The project benefitted 943 families during the year.

### Health

Various health camps ranging from medical awareness, diabetes camp, eye check-up, blood donation, etc, were conducted in several production sites such as Bhiwadi, Dahej, Dubai, Indore, Manali, Viralmalai and other plant locations. Several HIV/ AIDS Awareness events and HIV Testing were also held in all production sites.

### Affirmative Action

Being one of the signatories of CII's Code of Conduct on Affirmative Actions, SRF presented scholarships to SC/ ST students in two of its production sites, Manali and Bhiwadi. Vocational training was also conducted to help the disadvantaged gain employment. Tailoring classes were held in SRF's plants at Gwalior and Gummidipoondi, helping women gain employment. To promote entrepreneurship, SRF gave photocopying service and transportation contract to members from the SC/ST community.

## INTERNAL CONTROL SYSTEMS AND 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

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 financial and audit 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.

## RISK MANAGEMENT

The objective of SRF's risk management framework is to identify emerging challenges 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. All major new project proposals include a view on risks and counter-measures, at the time of evaluation. Appropriate structures have been put in place to proactively monitor and manage risks.

### Operational Risks

SRF 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 is exposed to numerous financial risks. These primarily emanate from foreign currency exchange risk from exports of its products, imports of raw material and capital goods and servicing of foreign currency debt. The management of opportunities and risks at SRF is an integral part of the corporate governance system, not the task of one particular organisational unit. Key elements of the risk management system are the planning, budgeting, review and reporting and control processes.

SRF follows a conservative foreign exchange risk management policy to minimise or eliminate the risks associated with operating activities. The products used are mainly over-the-counter instruments at market quoted pricing, particularly forward exchange contracts, foreign currency options and interest-rate swaps, which are concluded with banks of repute.

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.

### Cautionary Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. SRF cannot be held responsible in any way for such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



# 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, 2013, SRF's Board consisted of 9 Directors, of which four are executives of the company (including the Chairman, who is an Executive Chairman) and five are independent. Table 1 gives the details of the Board during the year 2012-13.

**TABLE 1: COMPOSITION OF THE BOARD OF DIRECTORS OF SRF**

Sl. No.	Name of Director	Category of Director	No. of other Directorships*	No. of Board-Level Committees where Chairperson or Member	
				Chairperson	Member
1	Mr Arun Bharat Ram	Executive Chairman, Promoter	6	-	4
2	Mr Ashish Bharat Ram	Executive, Promoter	6	1	2
3	Mr Kartikeya Bharat Ram	Executive, Promoter	4	1	1
4	Mr K Ravichandra	Executive	-	-	-
5	Mr Vinayak Chatterjee	Independent	1	2	1
6	Mr Tejpreet S Chopra	Independent	1	1	-
7	Mr L Lakshman	Independent	12	3	7
8	Mr Vellayan Subbiah (appointed as Additional Director w.e.f. 01.05.2012 and regularised at the 41st Annual General Meeting on 25.07.2012)	Independent	4	-	5





“

For SRF Limited, 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.

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Sl. No.	Name of Director	Category of Director	No. of other Directorships*	No. of Board-Level Committees where Chairperson or Member	
				Chairperson	Member
9	Mr Pramod Bhasin (appointed as Additional Director w.e.f. 25.07.2012)	Independent	4	-	2
10	Mr M V Subbiah (resigned w.e.f. 01.05.2012)	Independent	2	2	-
11	Mr Subodh Bhargava (retired w.e.f. 25.07.2012)	Independent	8	2	4
12	Mr Piyush G Mankad (retired w.e.f. 25.07.2012)	Independent	10	2	8
13	Mr S P Agarwala (deceased on 29.11.2012)	Independent	1	1	2

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

\* Directorship in Foreign companies, Indian private limited companies and companies under Section 25 of the Companies Act, 1956 are not included.

#### Independent Directors on the Board are Non-Executive Directors who:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding company or its subsidiaries and associates which may affect the independence of the Director
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an executive of the company in the immediately preceding three financial years
- Are not partner or executive or were not partner or an executive during the preceding three years of any of the following:-
  - Statutory audit firm or the internal audit firm that is associated with the company
  - Legal firm(s) and consulting firm(s) that have a material association with the company

- Are not material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the Director
- Are not a substantial shareholder of the company i.e. do not own two percent or more of the block of voting shares
- Are not less than 21 years of age.

As mandated by Clause 49 of the Listing Agreement, 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.

## Number of Board Meetings

During 2012-13, the Board of Directors met five times on May 1, 2012, July 25, 2012, September 25, 2012, November 2, 2012 and February 14, 2013. The gap between any two Board Meetings did not exceed four months. Table 2 gives the details.

**TABLE 2: BOARD MEETING ATTENDANCE RECORD OF THE DIRECTORS IN 2012-13**

Name of the Director	Number of Board Meetings Held Under Tenure	Number of Meetings Attended	Attended Last AGM?
Mr Arun Bharat Ram	5	5	Yes
Mr Ashish Bharat Ram	5	5	Yes
Mr Kartikeya Bharat Ram	5	5	Yes
Mr K Ravichandra	5	3	Yes
Mr Vinayak Chatterjee	5	5	Yes
Mr Tejpreet S Chopra	5	4	Yes
Mr L Lakshman	5	5	Yes
Mr Vellayan Subbiah (appointed w.e.f 01.05.2012)	4	4	Yes
Mr Pramod Bhasin (appointed w.e.f 25.07.2012)	3	2	N.A.
Mr M V Subbiah (resigned w.e.f. 01.05.2012)	1	1	N.A.
Mr Subodh Bhargava (retired w.e.f. 25.07.2012)	1	1	No
Mr Piyush G Mankad (retired w.e.f. 25.07.2012)	1	1	No
Mr S P Agarwala (deceased on 29.11.2012)	4	3	Yes

## Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2012-13 and table 4 gives details of Service Contracts

**TABLE 3: REMUNERATION PAID OR PAYABLE**

Name of Director	(₹ lakhs)					
	Salary & Allowances	Sitting Fees*	Perquisites	Provident Fund and Superannuation@	Commission (Provided)	Total
Mr Arun Bharat Ram	150	-	77.80	40.5	225	493.30
Mr Ashish Bharat Ram	84	-	54.48	22.68	125	286.16
Mr Kartikeya Bharat Ram	84	-	25.79	22.68	125	257.47
Mr K Ravichandra	4.52	-	2.98	-	-	7.50
Mr Vinayak Chatterjee	-	2.7	-	-	5	7.7
Mr Tejpreet S Chopra	-	1.4	-	-	5	6.4
Mr L Lakshman	-	1.8	-	-	5	6.8
Mr Vellayan Subbiah (appointed w.e.f 01.05.2012)	-	1.4	-	-	4.59	5.99
Mr Pramod Bhasin (appointed w.e.f 25.07.2012)	-	0.4	-	-	3.42	3.82
Mr M V Subbiah(resigned w.e.f 01.05.2012)	-	0.4	-	-	0.42	0.82
Mr Subodh Bhargava (retired w.e.f 25.07.2012)	-	0.4	-	-	1.59	1.99
Mr Piyush G Mankad (retired w.e.f 25.07.2012)	-	0.4	-	-	1.59	1.99
Mr S P Agarwala (Deceased on 29.11.2012)	-	1	-	-	3.33	4.33
<b>Total</b>	<b>322.52</b>	<b>9.9</b>	<b>161.05</b>	<b>85.86</b>	<b>504.94</b>	<b>1084.27</b>

+Includes sitting fee for attending the meetings of the Board of Directors and Committee Meetings including non statutory Committees of Directors

@ Having regard to the fact that there is global valuation for company as a whole for compensated absences and for contribution to gratuity fund, the amount applicable to an individual is not ascertainable and hence not included above.

**TABLE 4: DETAILS OF SERVICE CONTRACTS**

Name of Director	Tenure	Notice Period	Severance Fee
Mr Arun Bharat Ram*	5 years w.e.f. 15.06.2013	6 months by either party	Nil
Mr Ashish Bharat Ram	5 years w.e.f. 23.05.2010	3 months by either party	Nil
Mr Kartikeya Bharat Ram	5 years w.e.f. 01.06.2011	3 months by either party	Nil
Mr K Ravichandra	3 years w.e.f. 01.10.2012	3 months by either party	Nil

\*Mr Arun Bharat Ram has been reappointed for 5 years w.e.f. 15.06.2013 subject to shareholder's approval in ensuing 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, 2013.

**TABLE 5: EQUITY SHARES HELD BY NON-EXECUTIVE DIRECTORS AS ON MARCH 31, 2013**

Name of Director	Category	Number of Equity Shares Held
Mr Vinayak Chatterjee	Independent	-
Mr Tejpreet S Chopra	Independent	-
Mr L Lakshman	Independent	-
Mr Vellayan Subbiah	Independent	299
Mr Pramod Bhasin	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 for 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 Clause 49, the minutes of the Board meetings of your company's 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, [www.srf.com](http://www.srf.com). 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.

## Committees of the Board

### a) Audit Committee

As on March 31, 2013, the Audit Committee of SRF comprises 3 Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956, as well as Clause 49 of the Listing Agreement.

During 2012-13, the Audit Committee of SRF met five times May 1, 2012, July 25, 2012, September 25, 2012, November 2, 2012 and February 14, 2013. Table 6 gives the attendance record of Directors who are members of the Audit Committee.

**TABLE 6: ATTENDANCE RECORD OF AUDIT COMMITTEE MEETINGS DURING 2012-13**

Name of Director	Category	Number of Meetings Held Under Tenure	Number of Meetings Attended
Mr Vinayak Chatterjee (Chairman)	Independent	5	4
Mr L Lakshman (appointed as Member of Audit Committee w.e.f. 25.07.2012)	Independent	4	4
Mr Vellayan Subbiah (appointed as Member of Audit Committee w.e.f. 25.07.2012)	Independent	4	3
Mr M V Subbiah (resigned w.e.f. 01.05.2012)	Independent	1	1
Mr Subodh Bhargava (retired w.e.f. 25.07.2012)	Independent	1	1
Mr Piyush G Mankad (retired w.e.f. 25.07.2012)	Independent	1	1



All the members of the Audit Committee are financially literate. Mr Anoop K Joshi, Sr Vice President & Company Secretary is the Secretary to the Committee.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. These broadly include 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 and remuneration of statutory auditors and cost auditors.

In addition, the Committee also reviews:

- Management's discussion and analysis of Company's operations,
- Periodical internal audit reports
- Letters of statutory auditors to management on internal control weakness, if any
- Statement of significant related party transactions
- Financial statements, in particular, investments made by the subsidiary companies,
- Risk framework.

#### b) Remuneration Committee

As on March 31, 2013, SRF's Remuneration Committee comprised three Directors, Mr Vinayak Chatterjee (Chairman), Mr Tejpreet Singh Chopra and Mr Vellayan Subbiah, all of whom are independent.

During 2012-13, no meeting of the Remuneration Committee was held.

The terms of reference of Remuneration Committee are to approve/recommend to the Board the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by the shareholders).

#### c) Shareholders'/Investors' Grievance Committee

As on March 31, 2013, SRF's Shareholders'/Investors' Grievance Committee comprised five Directors-three executive Directors and two non-executive Directors. The Chairman of the Committee is Mr Tejpreet Singh Chopra, an independent Director.

Mr Anoop K Joshi, Company Secretary, is the Compliance Officer. To expedite the process of transfer, Mr Anoop K Joshi, 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, 2013, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 7 gives data on the shareholder/investor complaints received, and redressed, during the year 2012-13.

**TABLE 7: SHAREHOLDER AND INVESTOR COMPLAINTS RECEIVED AND REDRESSED DURING 2012-13**

Total Complaints Received	Total Complaints Redressed	Pending as on 31 March 2013
221	221	Nil

## Management

### Management Discussion and Analysis

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

### Disclosure Requirements

- Disclosures on materially significant related party transactions are given at note no. 34 in the Notes to the Financial Statements
- The Company has followed the Accounting Standards notified under Rule 3 of the Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements
- The Company has complied with the regulations issued by SEBI and terms and conditions of Listing Agreement with the Stock Exchanges
- In compliance with the SEBI regulations on prevention of insider trading, the company has laid down a comprehensive Code of Conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the company, and cautioning them of the consequences of violations

### CEO/CFO certification

The Certificate in compliance with Clause 49(V) of the Listing Agreement was placed before the Board of Directors.

## Shareholders

### Reappointment/Appointment of Directors

Mr Vinayak Chatterjee and Mr Tejpreet Singh Chopra, Directors are retiring by rotation and being eligible, offer themselves for re-appointment.

The present tenure of service contract of Mr Arun Bharat Ram, Chairman is upto June 14, 2013. Mr Arun Bharat Ram has been re-appointed as Chairman with Executive Power for a period of 5 years w.e.f. June 15, 2013 subject to approval by shareholders at ensuing Annual General Meeting.

Mr Pramod Bhasin will be appointed as Regular Directors at the ensuing Annual General Meeting.

Brief resume of these Directors are given in the Notice of the 42nd Annual General Meeting.



## Means of Communication with Shareholders

Quarterly and annual results of SRF are published in two major national dailies, generally Business Standard (in English) and Jansatta (in Hindi). In addition, these results are posted on the website of the Company, [www.srf.com](http://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 presentation, if any, made to analysts and funds managers is posted on the Company's website.

## Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 8.

**TABLE 8 : LAST THREE AGMS OF THE COMPANY**

Year	Location	Date	Time	No. of Special Resolutions Passed
2009-10	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	July 23, 2010	3.30 P.M.	Nil
2010-11	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	July 28, 2011	3.30 P.M.	1
2011-12	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	July 25, 2012	11.30 A.M.	1

## Postal Ballot

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

## Compliance

### Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the Clause 49 of the Listing Agreement.

### Adoption of Non-Mandatory Requirements

A Remuneration Committee has been constituted in accordance with the requirements of the Listing Agreement. The Committee

decides/recommends to the Board the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by the shareholders).

## Additional Shareholder Information

### 42nd Annual General Meeting

Date: July 26, 2013

Time: 3.30 P.M.

Venue: Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

### Tentative Financial Calendar for Results, 2013-14

First Quarter	Fourth week of July 2013
Second Quarter	Fourth week of October 2013
Third Quarter	First week of February 2014
Fourth Quarter and Annual	Second week of May 2014

### Book Closure Date

The Share Transfer Register of SRF will remain closed from Friday, the July 19, 2013 to Friday, the July 26, 2013 (both days inclusive) for the purposes of holding the Annual General Meeting.

### Interim Dividend Payment Date

Two interim dividends each of ₹5 per share (50 per cent) on the paid up capital of the Company absorbing ₹33.37 crores (approx. inclusive of tax) each were paid on November 27, 2012 and March 12, 2013 respectively.

### Listing on Stock Exchanges in India

SRF's shares are listed on the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. The Company has paid the listing fee to both BSE and NSE for the year 2013-14.

The Stock Codes are:

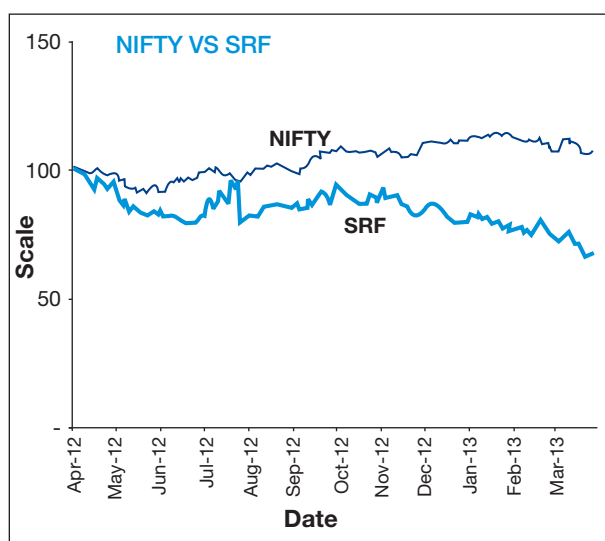
Bombay Stock Exchange	503806
National Stock Exchange	SRF

### Stock Market Data

Table 9 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2012-13.

**TABLE 9: MONTHLY HIGHS AND LOWS AND VOLUMES TRADED AT THE BSE AND NSE DURING 2012-13**

Year 2012-13	BSE			NSE		
	High (₹)	Low (₹)	Volume (Nos)	High (₹)	Low (₹)	Volume (Nos)
April	256.00	232.35	287604	256.00	232.20	2438882
May	237.00	207.00	163395	236.00	206.90	653242
June	214.95	192.15	175281	215.00	195.35	743298
July	248.00	196.00	636618	249.80	195.00	2040848
August	219.65	200.80	219326	219.45	200.00	812471
September	234.00	211.00	199986	234.80	211.70	807421
October	240.15	218.00	196141	240.40	218.00	812992
November	236.60	204.05	237795	236.60	203.50	816861
December	222.80	198.00	268117	222.40	198.00	797939
January	210.00	189.60	141614	214.90	189.05	603626
February	208.00	182.00	125649	204.25	182.00	451921
March	192.00	163.60	114991	192.90	163.50	373765



Note: Both Nifty and SRF share prices are indexed to 100 as on April 1, 2012

### 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 Shareholders'/ Investors' Grievance 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, 2012 to March 31, 2013 was 12978.



## 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 as on March 31, 2013

There were 41,915 shareholders holding 55459531 shares in electronic form. This constitutes 96.58 per cent of the total paid-up share capital of the Company.

## Distribution of Shareholding as on March 31, 2013@

Table 10 gives the distribution of shares according to shareholding class, while Table 11 gives the distribution of shareholding by ownership.

**TABLE 10: PATTERN OF SHAREHOLDING BY SHARE CLASS AS ON MARCH 31, 2013**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Upto 500	58746	92.73	6091192	10.61
501 – 1000	2597	4.10	1965822	3.42
1001-2000	1018	1.61	1513072	2.64
2001-3000	328	0.52	842453	1.47
3001-4000	159	0.25	570129	0.99
4001-5000	104	0.16	486416	0.85
5001-10000	220	0.35	1601938	2.79
10001 and above	179	0.28	44349478	77.24
<b>Total</b>	<b>63351</b>	<b>100%</b>	<b>57420500</b>	<b>100%</b>



**TABLE 11: PATTERN OF SHAREHOLDING BY OWNERSHIP AS ON MARCH 31, 2013**

Category	Shareholding	
	Number of Shares Held	Shareholding %
Promoters	29118634	50.71
Mutual Funds & UTI	5028612	8.76
Banks, Financial Institutions, Insurance Companies	2338728	4.07
Foreign Institutional Investors	4372360	7.61
Private Corporate Bodies	2710573	4.72
Indian Public	12925446	22.51
NRIs / OCBs	403904	0.70
Others (including shares in transit)	522243	0.91
<b>Total</b>	<b>57420500</b>	<b>100.00</b>

@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, 2013, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

### PLANT LOCATIONS

Technical Textiles Business	Manali Industrial Area, Manali, Chennai - 600 068, 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 - 265153, 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

### ADDRESS FOR CORRESPONDENCE

Registered Office	Corporate Office	Registrar & Share Transfer Agent
C-8, Commercial Complex Safdarjung Development Area New Delhi 110 016 Tel. No : (+91-11) 26857141 Fax : (+91-11) 26510428	Block - C, Sector - 45 Gurgaon 122 003 Tel No : ( + 91-124) 4354400 Fax : (+ 91-124) 4354500 E-mail : ajoshi@srf.com	Karvy Computershare Private Limited Plot No. 17 to 24, Vittalrao Nagar Madhapur, Hyderabad-500081 Tele No : (+91- 40) 4465 5000 Fax : (+91- 40) 2342 0814 E-mail : einward.ris@karvy.com

## Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Managing Director of SRF Limited declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2013.

Date: May 3, 2013

Place: Gurgaon

Ashish Bharat Ram

Managing Director





# Financials

# Independent Auditors' Report

## TO THE BOARD OF DIRECTORS OF SRF LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **SRF LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Registration No. 015125N)

**Manjula Banerji**

Partner  
(Membership No. 086423)  
**GURGAON, MAY 3, 2013**



## Annexure to the Independent Auditors' Report

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

Having regard to the nature of the Company's business / activities / results, during the year, clauses (x) and (xiii) of paragraph 4 of Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the Order) are not applicable to the Company.

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a program 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 program, 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) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories:

- (a) 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 and subsequent receipts have been verified in most of the cases.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 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.
- (vii) In our opinion, the internal audit functions carried out during the year by the Company and firms of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost

Accounting Records) Rules, 2011 prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) 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, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Works Contract Tax, Cess and other material

statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Works Contract Tax, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Wealth Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty and Cess which have not been deposited as on March 31, 2013 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* (₹ lakhs)
Central Excise Laws	Excise Duty	High Court	1996-1997	213.79
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1983-2008	5960.26
		Upto Commissioner (Appeals)	1992-2010	559.82
Service Tax Laws	Service Tax	High Court	2006	2.50
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2010	45.88
		Upto Commissioner (Appeals)	2005-2012	300.47
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2004-2006	45.43
		Upto Commissioner (Appeals)	1998-2005	29.23
Sales Tax Laws	Sales Tax	High Court	2007-2013	8300.50
		Sales Tax Appellate Tribunal	1987-2008	102.28
		Upto Commissioner (Appeals)	1988-2013	32.75
Income Tax Laws	Income Tax	Supreme Court	1988-1989	113.35
Others	Electricity Cess	High Court	2007-2008	6.00

\* 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* (₹ lakhs)
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005	7.05
Central Excise Laws	Excise Duty	Supreme Court	1994-2001	162.55
		High Court	1994-1999	131.35
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1989-1995	223.61
Sales Tax Laws	Sales Tax	Rajasthan Tax Board	2001-2002	39.04
Income Tax Laws	Income Tax	High Court	1988-2003	170.52
		Income Tax Appellate Tribunal (ITAT)	1994-2006	106.62

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (xi) As the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order, is not applicable.
- (xii) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order, is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by wholly owned subsidiaries from banks and financial institutions are not, prima-facie, prejudicial to the interests of the Company.
- (xiv) 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 obtained.
- (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have,
- prima facie, not been used during the year for long - term investment.
- (xvi) As the Company has not made any preferential allotment of shares during the year, paragraph 4 (xviii) of the Order is not applicable.
- (xvii) According to the information and explanations given to us, no security has been created for debentures issued during a previous year since they are unsecured.
- (xviii) Since, the Company has not raised any money by way of public issue during the year, paragraph 4 (xx) of the Order, is not applicable.
- (xix) 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 has been noticed or reported during the year.

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

**Manjula Banerji**

Partner  
(Membership No. 086423)  
**GURGAON, MAY 3, 2013**

## Balance Sheet as at March 31, 2013

		(₹ lakhs)	
Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	5843.56	5843.56
Reserves and surplus	3	195407.68	178826.50
		201251.24	184670.06
<b>Non-current liabilities</b>			
Long-term borrowings	4	57662.34	57930.68
Deferred tax liabilities (Net)	5	25487.79	21709.30
Long-term provisions	6	1188.94	1040.38
		84339.07	80680.36
<b>Current liabilities</b>			
Short-term borrowings	4	24163.11	29442.97
Trade payables	7	43099.17	44488.87
Other current liabilities	8	32345.59	21808.07
Short-term provisions	9	735.41	1340.54
		100343.28	97080.45
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>385933.59</b>	<b>362430.87</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		216517.35	184035.20
Intangible assets		1780.50	2042.96
Capital work-in-progress		21969.29	41426.46
Non-current investments	11	9261.22	9229.72
Long-term loans and advances	12	12068.52	9516.65
Other non-current assets	13	230.15	304.37
		261827.03	246555.36
<b>Current assets</b>			
Current investments	11	13513.06	12640.27
Inventories	14	49590.98	41219.61
Trade receivables	15	45256.78	40802.89
Cash and cash equivalents	16	7696.42	12920.67
Short-term loans and advances	17	7972.47	8217.74
Other current assets	18	76.85	74.33
		124106.56	115875.51
<b>TOTAL ASSETS</b>		<b>385933.59</b>	<b>362430.87</b>
Accompanying notes forming part of the financial statements	1 to 48		

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

For and on behalf of the Board of Directors

Manjula Banerji  
Partner

Arun Bharat Ram  
Chairman

Ashish Bharat Ram  
Managing Director

Kartikeya Bharat Ram  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

Vinayak Chatterjee  
Director

Rajendra Prasad  
President & Chief Financial Officer

Anoop K Joshi  
Sr Vice President & Company Secretary



## Statement of Profit & Loss for the year ended March 31, 2013

(₹ lakhs)			
Particulars	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
<b>Revenue from Operations</b>			
Sale of products (gross)	19	359558.36	377320.45
Less : Excise duty		28281.32	26047.70
Sale of products (net)		331277.04	351272.75
Other operating revenues	20	977.39	1449.08
		332254.43	352721.83
Other income	21	4375.34	3105.81
<b>TOTAL REVENUE</b>		<b>336629.77</b>	<b>355827.64</b>
<b>Expenses</b>			
Cost of materials consumed	22	191373.55	202116.28
Purchases of traded goods	23	901.70	640.16
(Increase)\Decrease in inventories of finished goods, stock-in-process and traded goods	24	(2249.61)	(652.39)
Employee benefits expenses	25	20243.52	16404.87
Finance costs	26	8464.83	10409.32
Depreciation and amortization expenses	27	18427.59	16168.07
Other expenses	28	64208.92	54154.99
<b>TOTAL EXPENSES</b>		<b>301370.50</b>	<b>299241.30</b>
<b>Profit before tax</b>		<b>35259.27</b>	<b>56586.34</b>
Tax expense			
Current tax		7063.31	16400.00
Current tax relating to prior years		(1479.97)	446.93
Deferred tax charge		3825.23	1001.41
		<b>9408.57</b>	<b>17848.34</b>
<b>Profit after tax</b>		<b>25850.70</b>	<b>38738.00</b>
<b>Earnings per share</b>	35		
Basic (₹)		45.02	65.55
Diluted (₹)		45.02	65.55
<b>Accompanying notes forming part of the financial statements</b>	1 to 48		

In terms of our report attached  
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Partner

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Managing Director

**Kartikeya Bharat Ram**  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

**Vinayak Chatterjee**  
Director

**Rajendra Prasad**  
President & Chief Financial Officer

**Anoop K Joshi**  
Sr Vice President & Company Secretary

## Cash Flow Statement for the year ended March 31, 2013

Particulars	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	35259.27	56586.34
Adjustments for		
Depreciation and amortisation	18474.92	16205.89
Withdrawal from revaluation reserve	(47.33)	(37.82)
Finance costs	8464.83	10409.32
Net Unrealised Exchange (Gain) / Loss	162.34	(568.66)
Provision For Investments	-	9.08
Provision for doubtful trade and other receivables, loans and advances	36.36	31.59
Assets written off	168.73	40.09
Loss / (profit) on sale of fixed assets	(2314.97)	(479.62)
Interest income	(223.45)	(201.48)
Dividend on current non-trade investment	(647.54)	(1347.70)
(Profit) on sale of long term investment / subsidiary	-	(10.00)
Net (gain) / loss on sale of current investments	(438.82)	-
<b>Operating Profit before working capital changes</b>	<b>58894.34</b>	<b>80637.03</b>
<b>Changes in Working Capital:</b>		
Adjustments for (increase) / decrease in operating assets		
Trade receivables	(4490.25)	3344.01
Inventories	(8252.32)	2634.07
Short-term loans and advances	245.27	2590.87
Long-term loans and advances	(1405.20)	(2404.03)
Other current assets	(2.52)	141.86
Other non-current assets	74.22	(168.68)
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	(1389.70)	(3915.16)
Other current liabilities	(77.19)	92.74
Short-term provisions	38.51	104.07
Long-term provisions	148.56	6.17
<b>Cash Generated from operations</b>	<b>43783.72</b>	<b>83062.95</b>
Net income tax paid	(6270.85)	(16517.67)
<b>Net Cash from operating activities (A)</b>	<b>37512.87</b>	<b>66545.28</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(36890.88)	(49537.47)
Proceeds from sale of fixed assets	2528.76	734.42
Bank balances not considered as cash and cash equivalents	(33.79)	26.00
Current investments not considered as cash and cash equivalents		
- Purchased	(84452.90)	(104059.67)
- Proceeds from sales	84018.93	102414.47
Investments in subsidiary companies	(189.00)	(44.00)

			(₹ lakhs)
Particulars	Year ended March 31, 2013	Year ended March 31, 2012	
Loans and advances given	-	(763.05)	
Proceeds from sale of long term non-trade investment	-	10.00	
Proceeds from sale of long term trade investment	157.50	-	
Amount received pursuant to Montreal Phaseout Programme	-	892.37	
Interest income	199.11	222.60	
Dividend on current non-trade investments	647.54	1347.70	
<b>Net Cash used in Investing Activities (B)</b>	<b>(34014.73)</b>	<b>(48756.63)</b>	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Buy back of equity shares	-	(8999.28)	
Proceeds from long term borrowings	22315.84	41633.67	
Repayment of long term borrowings	(12073.99)	(41961.07)	
Net proceeds / (repayment) from short term borrowings	(5279.86)	16363.65	
Dividends on equity share capital paid	(5667.84)	(8087.01)	
Corporate dividend tax paid	(931.50)	(1317.69)	
Repayment of fixed deposits	(1.55)	(8.69)	
Finance costs paid	(7117.28)	(8881.48)	
<b>Net cash used in / from financing activities ( C)</b>	<b>(8756.18)</b>	<b>(11257.90)</b>	
<b>Net increase / (decrease) in Cash and Cash Equivalents D=(A+B+C)</b>	<b>(5258.04)</b>	<b>6530.75</b>	
<b>Cash and Cash equivalents at the beginning of the year ( E)</b>	<b>12226.24</b>	<b>5665.10</b>	
Less : Exchange fluctuation loss / (gain) on foreign currency bank balances (F)	-	(30.39)	
<b>Cash and Cash equivalents at the close of the year G =(D+E-F)</b>	<b>6968.20</b>	<b>12226.24</b>	
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Cash and cash equivalents as per Balance Sheet	7696.42	12920.67	
Less: Bank balances not considered as Cash and cash equivalents	(728.22)	(694.43)	
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)</b>	<b>6968.20</b>	<b>12226.24</b>	
<b>Cash and cash equivalents at the end of the year comprises:</b>			
(a) Cash on hand	37.75	38.67	
(b) Cheques, drafts on hand	-	12.76	
(c) Balances with banks			
(i) In current accounts	6892.39	8837.42	
(ii) In Exchange Earners' Foreign Currency (EEFC) accounts	-	1301.85	
(iii) In deposit accounts	38.06	2035.54	
<b>Cash and cash equivalents as per AS - 3 - Cash Flow Statements</b>	<b>6968.20</b>	<b>12226.24</b>	

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

For and on behalf of the Board of Directors

**Manjula Banerji**  
Partner

**Arun Bharat Ram**  
Chairman

**Ashish Bharat Ram**  
Managing Director

**Kartikeya Bharat Ram**  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

**Vinayak Chatterjee**  
Director

**Rajendra Prasad**  
President & Chief Financial Officer

**Anoop K Joshi**  
Sr Vice President & Company Secretary

# Notes forming part of the Financial Statements

for the year ended March 31, 2013

## 1. Significant Accounting Policies

### (i) ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets, and have been prepared in accordance with the applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

### (ii) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### (iii) FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation except for certain fixed assets which are revalued and are therefore, stated at their revalued book values. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

The basis for revaluation is current cost of depreciated assets at the time of revaluation. If the revaluation shows an increase in the value of a category of assets, the same is added to the historical value net of any decline in value of any asset of that category; any such decrease is expensed. The decline in value of any individual asset in a category is charged to revenue over the remaining useful life of that asset and corresponding adjustment made on the amount withdrawn from the revaluation reserve.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling

price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

### (iv) DEPRECIATION

a. Depreciation on fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 or at rates arrived at on the basis of the balance useful lives of the assets based on technical evaluation / revaluation of the related assets, whichever is higher, except in case of the following assets where depreciation is provided at the rates indicated against each assets: -

Vehicles	-	21%
Data Processing Equipments	-	31.67%
Mobile Phones	-	95%

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

c. On assets sold, discarded, etc. during the year, depreciation is provided upto the date of sale / discard.

d. In respect of revalued assets, a transfer is made from the revaluation reserve to the statement of profit and loss for the sum of the differences as below: -

- the difference between the amounts of depreciation on revalued value at rates based on useful life prescribed by valuers and on the historical cost at rates prescribed in Schedule XIV, if the former is higher.
- where assets are discarded / disposed off, the difference between the written down value as per the revalued value and historical cost.

e. No write-off is made in respect of leasehold land as the lease is a perpetual lease.

f. Depreciation (amortization) on intangibles is provided on straight line method as follows:

- Trademark and technical knowhow over a period of ten years
- Software over a period of three years
- Goodwill over a period of ten years



**(v) FOREIGN CURRENCY TRANSACTIONS**

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

All monetary items are re-stated at the exchange rate prevailing as at the date of the balance sheet and the loss or gain is taken to the statement of profit and loss as exchange fluctuation.

The Company uses foreign exchange forward and option contracts to hedge its exposure to movements in foreign exchange rates relating to certain firm commitments and highly probable forecast transactions. Effective April 1, 2007, the Company designates such contracts in a cash flow hedge relationship by applying the principles set out in Accounting Standard (AS) – 30 - “Financial Instruments: Recognition and Measurement”.

Forward and option contracts are fair valued at each reporting date. The resultant gain or loss from these contracts that are designated and effective as hedges of future cash flows are recognised directly in Cash Flow Hedge Reserve under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in statement of profit and loss.

Amount accumulated in Cash Flow Hedge Reserve are reclassified to the statement of profit and loss in the same periods during which the forecasted transaction affects the profit and loss.

Hedge Accounting is discontinued when the hedging instrument expires, or is sold or terminated or exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss is immediately transferred from the Cash Flow Hedge Reserve to the statement of profit and loss.

Contracts that are not designated as hedges of future cash flows are fair valued at each reporting date and the resultant gain or loss is recognised in the statement of profit and loss.

**(vi) RESEARCH AND DEVELOPMENT**

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 capitalized 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.

Capital expenditure on research and development includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use and is treated in the same manner as expenditure on other fixed assets and depreciated as per Company policy.

**(vii) INVENTORIES**

Stores and spares are valued at cost or under. Stock in trade is valued at cost or net realizable value, whichever is lower. The bases of determining the cost for various categories of inventory are as follows:

Stores, spares and raw materials	-	Weighted average rate
Stock in trade		
Process stocks and finished goods	-	Direct cost plus appropriate share of overheads and excise duty, wherever applicable
By products	-	At estimated realizable value

**(viii) INVESTMENTS**

Long term investments are valued at cost unless there is a decline in value other than temporary. Current investments are stated at lower of cost or fair value.

**(ix) EMPLOYEE BENEFITS**

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 recognized in the statement of profit and loss.

Provision for gratuity, compensated absences, provident fund for certain category of employees administered through a recognized provident fund trust and long term retention pay are determined on an actuarial basis at the end of the year and charged to revenue each year.

#### (x) BORROWING COSTS

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized 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.

#### (xi) PROVISIONS AND CONTINGENT LIABILITIES

The Company recognizes a provision when there is a present obligation 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. 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.

#### (xii) REVENUE RECOGNITION

Sale of goods is recognized, net of returns and trade discounts on the transfer of significant risks and rewards of ownership to the buyer which generally coincides with the dispatch of goods to customers. Gross sales are inclusive of excise duty and net of value added tax / sales tax.

Sale of Certified Emission Reductions (CER's) is recognized as income on the delivery of the CER's to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

#### (xiii) RESERVES

- Revaluation reserve represents the difference between the revalued amount of the assets and the written down value of the assets on the date of revaluation net of withdrawals therefrom.
- Capital receipts are credited to capital reserve.
- Cash flow hedge reserve represents the gain or loss arising out of adjusting the hedging instruments to mark to market net of applicable deferred income taxes.

#### (xiv) TAXATION

- The income tax liability is provided in accordance with the provisions of the Income tax Act, 1961.
- Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

## 2. Share Capital

### a) Details of share capital

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>AUTHORISED</b>		
12,00,00,000 (Previous Year - 12,00,00,000) Equity shares of ₹10 each	12000.00	12000.00
10,00,000 (Previous Year - 10,00,000) Preference Shares of ₹100 each	1000.00	1000.00
12,00,000 (Previous Year - 12,00,000) Cumulative Convertible Preference Shares of ₹50 each	600.00	600.00
2,00,00,000 (Previous Year - 2,00,00,000) Cumulative Preference Shares of ₹100 each	20000.00	20000.00
	<b>33600.00</b>	<b>33600.00</b>
<b>ISSUED</b>		
6,14,77,255 (Previous Year - 6,14,77,255) Equity Shares of ₹10 each	<b>6147.73</b>	<b>6147.73</b>
<b>SUBSCRIBED AND PAID UP</b>		
5,74,20,500* (Previous Year - 5,74,20,500) Equity Shares of ₹10 each fully paid up	5742.05	5742.05
Add: Forfeited shares - Amount originally paid up	101.51	101.51
	<b>5843.56</b>	<b>5843.56</b>

\* 2,90,43,134 equity shares (Previous year - 2,86,06,962 equity shares) held by KAMA Holdings Limited, the holding company.

**b) Reconciliation of equity shares**

	Number of shares	Value (₹ lakhs)
As at April 1, 2011	60503580	6050.36
Less: Shares bought back during the year	3083080	308.31
As at March 31, 2012	57420500	5742.05
Add: Movement during the year	-	-
As at March 31, 2013	<b>57420500</b>	<b>5742.05</b>

**c) Shareholders holding more than 5% shares in the Company**

	As at March 31, 2013	As at March 31, 2012
<b>KAMA Holdings Limited</b>		
No. of Shares	29043134	28606962
Percentage of Shareholding	50.58%	49.82%

**d) The Company has bought back 1,04,64,505 equity shares in aggregate in the last five financial years.****e) 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, 2013, the amount of interim dividend recognized as distributions to equity shareholders was ₹10 per share (Previous Year - ₹14 per share).

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

**3. Reserves and Surplus**

	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
Securities premium account	-	-
Capital reserve	21919.19	21919.19
Revaluation reserve	2961.36	5572.72
Capital redemption reserve	1048.06	1048.06
Debenture redemption reserve	15000.00	7500.00
Special economic zone reinvestment allowance reserve	200.21	550.00
Cash flow hedge reserve	(295.82)	(219.86)
General reserve	34987.93	32053.07
Surplus in statement of profit and loss	119586.75	110403.32
<b>Total Reserves and Surplus</b>	<b>195407.68</b>	<b>178826.50</b>

**a) Securities premium account**

	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
As at the beginning of the year	-	5527.11
Less: Utilization towards premium paid on buyback of shares	-	5527.11
<b>As at the end of the year</b>	<b>-</b>	<b>-</b>

**b) Capital reserve**

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	21919.19	21026.28
Add: Amount received pursuant to Montreal Protocol Phaseout Programme of Refrigerant Gases	-	892.37
Add: Amount transferred from share capital suspense	-	0.54
<b>As at the end of the year</b>	<b>21919.19</b>	<b>21919.19</b>

**c) Revaluation reserve**

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	5572.72	5610.60
Less: Transferred to statement of profit and loss on account of depreciation	47.33	37.82
Less: Transferred to statement of profit and loss on account of deletion of assets	2564.03	0.06
<b>As at the end of the year</b>	<b>2961.36</b>	<b>5572.72</b>

**d) Capital redemption reserve**

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	1048.06	739.75
Add: Transferred from general reserve on account of buyback	-	308.31
<b>As at the end of the year</b>	<b>1048.06</b>	<b>1048.06</b>

**e) Debenture redemption reserve**

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	7500.00	9075.00
Add: Transferred from surplus in statement of profit and loss	7500.00	7500.00
Less: Transferred to general reserve	-	9075.00
<b>As at the end of the year</b>	<b>15000.00</b>	<b>7500.00</b>

**f) Special economic zone reinvestment allowance reserve**

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	550.00	-
Add: Transferred from surplus in statement of profit and loss	-	550.00
Less: Transferred to general reserve	349.79	-
<b>As at the end of the year</b>	<b>200.21</b>	<b>550.00</b>

**g) Cash flow hedge reserve**

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	(219.86)	263.51
Add: Gain / (loss) on mark to market of foreign currency derivatives	(75.96)	(483.37)
<b>As at the end of the year*</b>	<b>(295.82)</b>	<b>(219.86)</b>

\* net of deferred tax assets of ₹152.33 lakhs (Previous Year - ₹105.59 lakhs)



## h) General reserve

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	32053.07	22450.24
Add: Transferred from surplus in statement of profit and loss	2585.07	4000.00
Add: Transferred from debenture redemption reserve	-	9075.00
Less: Utilization towards premium paid on buyback of shares	-	3163.86
Less: Transferred to capital redemption reserve	-	308.31
Add: Transferred from Special Economic Zone reinvestment allowance reserve	349.79	-
<b>As at the end of the year</b>	<b>34987.93</b>	<b>32053.07</b>

## i) Surplus in statement of profit and loss

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	110403.32	93155.63
Add: Recognition of stock of Certified Emission Reductions as at April 1, 2012*	91.35	-
Add: Profit after tax for the year	25850.70	38738.00
Less: Interim dividend	5742.05	8122.62
Less: Corporate dividend tax	931.50	1317.69
Less: Transfer to general reserve	2585.07	4000.00
Less: Transfer to debenture redemption reserve	7500.00	7500.00
Less: Transfer to Special Economic Zone reinvestment allowance reserve	-	550.00
<b>As at the end of the year</b>	<b>119586.75</b>	<b>110403.32</b>

\* Refer note 46

## 4. Borrowings

	As at March 31, 2013	As at March 31, 2012
<b>LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term loans from banks {1}	65883.77	54979.54
Less: Current maturities of long term borrowings (Refer note 8)		
Term Loans from Banks	(9650.08)	(12048.86)
<b>Net secured long term borrowings (a)</b>	<b>56233.69</b>	<b>42930.68</b>
<b>Unsecured</b>		
1500 (Previous year - 1500), 10.60%, listed, unsecured redeemable non-convertible debentures of ₹10 lakhs each	15000.00	15000.00
Term loans from banks	1428.65	-
	16428.65	15000.00
Less: Current maturities of long term borrowings (Refer note 8)		
1500, 10.60%, listed, unsecured redeemable non-convertible debentures of ₹10 lakhs each	(15000.00)	-
<b>Net unsecured long term borrowings (b)</b>	<b>1428.65</b>	<b>15000.00</b>
<b>Total long term borrowings (c = a + b)</b>	<b>57662.34</b>	<b>57930.68</b>

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Cash credits from banks {2(i)}	-	903.58
Term loans from banks {2(ii)}	6249.76	9464.05
	6249.76	10367.63
<b>Unsecured</b>		
Term loans from banks*	17913.35	19075.34
Others*	-	-
	17913.35	19075.34
<b>Total short term borrowings (d)</b>	<b>24163.11</b>	<b>29442.97</b>
<b>Total borrowings (e = c + d)</b>	<b>81825.45</b>	<b>87373.65</b>

\* Includes Nil (Previous Year - Nil) for Commercial Paper issued by the Company. The Maximum amount due during the year is ₹10000 lakhs (Previous Year - Nil)

#### Details of security of the above secured loans:

Loan	As at 31.03.2013 (₹ lakhs)	As at 31.03.2012 (₹ lakhs)	Security
1. (i) Term loan from banks	55027.77	54554.50	<p>Term loans from banks are secured by:-</p> <p>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.</p> <p>Out of the loans as at 1(i), term loans aggregating to ₹44152.77 lakhs (Previous Year – ₹30350.50 lakhs) are additionally secured by hypothecation of Company's moveable properties both present and future, situated at Pantnagar in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans aggregating to ₹10000.00 lakhs (Previous Year – 22891.50 lakhs) are to be further 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, Kashipur and Pantnagar in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans aggregating to ₹10000.00 lakhs (Previous Year – Nil) are to be further secured by hypothecation of Company's moveable properties, both present and future, situated at Dahej in the State of Gujarat.</p> <p>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.</p> <p>Term Loans aggregating to ₹1688.26 lakhs (Previous Year – ₹3600.77 lakhs) are additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Indore in the State of Madhya Pradesh.</p> <p>Term Loans aggregating to ₹813.26 lakhs (Previous Year – 2288.27 lakhs) is additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.</p>

Loan	As at 31.03.2013 (₹lakhs)	As at 31.03.2012 (₹lakhs)	Security
			<p>Term Loan of ₹41627.77 lakhs (Previous Year – 23320.83 lakhs) is additionally secured by equitable mortgage of Company's immovable properties, both present and future, situated at Malanpur (save and except superstructure) in the State of Madhya Pradesh.</p> <p>Term Loans of ₹40814.51 lakhs (Previous Year – ₹21032.56 lakhs) are additionally secured by equitable mortgage of Company's immovable properties, both present and future, situated at Manali in the State of Tamil Nadu.</p> <p>Out of the loans as at 1(i), the term loans aggregating to:</p> <p>a) ₹32443.17 lakhs (Previous Year – ₹6242.12 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.</p> <p>b) ₹31568.17 lakhs (Previous Year – ₹4929.62 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Indore in the State of Madhya Pradesh.</p> <p>c) ₹3400.00 lakhs (Previous Year – ₹4600.00 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).</p> <p>d) ₹4213.26 lakhs (Previous Year – ₹6888.27 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Manali in the State of Tamil Nadu.</p> <p>e) ₹33256.43 lakhs (Previous Year – ₹8530.39 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Pantnagar in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans of ₹10000 lakhs (Previous Year – Nil) are to be further secured by equitable mortgage of Company's immovable 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 and Kashipur in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans of Nil (Previous Year – ₹26633.67 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi (Freehold and Leasehold) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur in the State of Madhya Pradesh and Kashipur and Pantnagar in the State of Uttarakhand.</p>
(ii) Term loans from banks	10856.00	425.04	<p>Term loans from banks aggregating to ₹10856.00 lakhs (Previous Year – Nil) are secured by hypothecation of Company's moveable properties, both present and future, situated at Dahej in the State of Gujarat.</p> <p>Out of the loans as at 1(ii) above, term loans from banks aggregating to Nil (Previous Year – ₹425.04 lakhs) 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, Kashipur and Pantnagar in the state of Uttarakhand.</p>

Loan	As at 31.03.2013 (₹ lakhs)	As at 31.03.2012 (₹ lakhs)	Security
2. (i) Cash credit / working capital demand loans	-	903.58	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	6249.76	9464.05	
<b>Total</b>	<b>72133.53</b>	<b>65347.17</b>	

Such hypothecation and equitable mortgage rank pari-passu between term loans from banks / others (save and except hypothecation of moveable assets at Dahej in the State of Gujarat in favour of a bank as at 1(ii) above).

## TERMS OF REPAYMENT OF LOANS

### LONG TERM BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Amount Repayable (₹ lakhs)			
			Up to March 31, 2014	Up to March 31, 2015	Up to March 31, 2016	From 2016 to 2020
1500 (Previous Year – 1500), 10.60%, Listed, Unsecured Redeemable Non-Convertible Debentures of ₹10 lakhs each	Redeemable at face value in one instalment at the end of second year	10.60%	15000.00	-	-	-
Rupee term loans	Repayment in full at the end of the tenor of the loan	10.25%	-	10000.00	-	-
	Half yearly payments	10.50% to 12.15%	2418.82	2793.04	2155.54	3289.11
	Quarterly Payments	11.55%	990.00	-	-	-
Foreign currency term loans	Half yearly instalments	Libor plus interest rate spread ranging from 2.10 % to 2.12%	2714.00	2714.00	4342.40	9227.60
	Quarterly instalments	Libor plus interest rate spread of 2.00%	813.26	-	-	-
	One instalment a year	Libor plus interest rate spread ranging from 1.00% to 1.60%	2714.00	5428.00	6856.65	10856.00
<b>Total</b>			<b>24650.08</b>	<b>20935.04</b>	<b>13354.59</b>	<b>23372.71</b>

### SHORT TERM BORROWINGS

Short term borrowings are payable in one installment within one year with interest rates LIBOR plus interest rate spread ranging from 0.70% to 3.25%

## 5. Deferred Tax Liabilities and Assets

	As at March 31, 2013	As at March 31, 2012
<b>Deferred tax liabilities</b>		
Difference between book and tax depreciation	24910.15	21061.08
Research and development expenditure	1509.18	1490.10
	<b>26419.33</b>	<b>22551.18</b>
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	98.29	94.33
Accrued expenses deductible on payment basis and others	833.25	747.55
	<b>931.54</b>	<b>841.88</b>
<b>Deferred tax liabilities (net)</b>	<b>25487.79</b>	<b>21709.30</b>



## 6. Long Term Provisions

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Employee benefits	1188.94	1040.38
	<b>1188.94</b>	<b>1040.38</b>

## 7. Trade Payables

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Acceptances	27040.17	28652.71
Trade payables		
- Outstanding dues to Micro and Small enterprises	42.98	163.16
- Outstanding dues to parties other than Micro and Small enterprises	16016.02	15673.00
	<b>43099.17</b>	<b>44488.87</b>

## 8. Other Current Liabilities

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Current maturities of long term borrowings	24650.08	12048.86
Interest accrued but not due on borrowings	315.47	332.18
Unclaimed dividend*	554.89	480.68
Unclaimed fixed deposits* (including interest)	1.75	3.30
Book Overdraft	66.59	2.16
Security deposits	432.07	526.14
Acceptances for fixed assets	395.17	31.27
Payables for fixed assets		
- Outstanding dues to Micro and Small enterprises	16.56	166.73
- Outstanding dues to parties other than Micro and Small enterprises "	727.46	3106.35
Gratuity	222.56	255.91
Statutory remittances	1871.25	1714.35
Other taxes payable	1934.96	2040.01
Advances from customers	600.41	685.70
Other payables	556.37	414.43
<b>Total other current liabilities</b>	<b>32345.59</b>	<b>21808.07</b>

\* 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.

### 8. a) 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.

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	55.09	325.64
- Interest due thereon	4.45	4.25
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	-	-
- 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	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.20	4.25
- Interest remaining unpaid as at the end of the year"	4.45	4.25
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.20	4.25

## 9. Short Term Provisions

	As at March 31, 2013	As at March 31, 2012
Employee Benefits	425.81	387.30
Provision for tax (net of payments)	309.60	953.24
	<b>735.41</b>	<b>1340.54</b>

## 10. Fixed Assets

											(₹ lakhs)
Description	Gross Block			Depreciation/Amortisation				Net Block			Re-valuation Amount
	As at April 1, 2012	Additions (note vi)	Deductions	As at March 31, 2013	Upto March 31, 2012	For the year (note vi)	On disposals	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012	
Tangible assets											
Land											
- Freehold	10673.16	213.88	2568.29	8318.75	-	-	-	-	8318.75	10673.16	2458.00
- Leasehold	6981.89	2204.51	-	9186.40	-	-	-	-	9186.40	6981.89	223.51
Roads	1123.19	455.52	4.69	1574.02	132.19	25.31	0.86	156.64	1417.38	991.00	5.28
Buildings	40805.84	5667.67	77.67	46395.84	8737.61	1332.88	31.96	10038.53	36357.31	32068.23	234.13
Plant and machinery	239256.52	43572.32	958.61	281870.23	108905.97	15869.96	804.08	123971.85	157898.38	130350.55	40.44
Furniture and fixtures	2091.83	254.38	8.84	2337.37	1109.93	127.65	3.20	1234.38	1102.99	981.90	
Office Equipment	2767.04	304.58	218.86	2852.76	1880.06	253.66	178.20	1955.52	897.24	886.98	-
Vehicles	2010.02	775.04	405.53	2379.53	908.53	398.36	266.26	1040.63	1338.90	1101.49	-
Sub-total	305709.49	53447.90	4242.49	354914.90	121674.29	18007.82	1284.56	138397.55	216517.35	184035.20	2961.36
Intangible Assets											
Goodwill	368.94	-	-	368.94	110.70	36.89	-	147.59	221.35	258.24	-
Trade Marks	1139.70	-	-	1139.70	370.40	113.97	-	484.37	655.33	769.30	-
Technical Knowhow	908.75	-	-	908.75	290.17	106.98	-	397.15	511.60	618.58	-
Software	1303.70	177.09	-	1480.79	906.86	209.26	27.55	1088.57	392.22	396.84	-
Sub-total	3721.09	177.09	-	3898.18	1678.13	467.10	27.55	2117.68	1780.50	2042.96	-
Total	309430.58	53624.99	4242.49	358813.08	123352.42	18474.92	1312.11	140515.23	218297.85		2961.36
Previous year	288698.46	21922.60	1190.48	309430.58	108061.37	16205.89	914.84	123352.42		186078.16	5572.72
Capital-work-in-progress									21969.29	41426.46	
									240267.14	227504.62	

### Notes to fixed assets

- Amount of borrowing cost capitalised to fixed assets / capital work in progress during the year ₹1637.32 lakhs (Previous Year - ₹1234.62 lakhs).
- The deed of assignment in respect of free hold land at Manali, Chennai has been executed in respect of 135.70 acres (Previous Year - 135.70 acres). In addition to aforesaid extent, 0.79 acres were handed over to SRF Limited under a land delivery receipt. Thus, the Company is in possession of 136.49 acres of industrial land at Manali, Chennai.
- 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 29 below).
- 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.
- The execution of lease deed and formal possession of land is under progress in respect of 444977 sq. mtrs (Previous Year 269921 sq. mtrs) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat.
- Capital expenditure incurred during the year includes ₹360.59 lakhs (Previous Year - ₹617.68 lakhs) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 32 below.
- Capital work in progress includes pre-operative expenses ₹4083.85 lakhs (Previous Year - ₹4019.44 lakhs).
- The revaluation of fixed assets was carried out in the year ended March 31, 2005

## 10. Fixed Assets (Contd.)

											(₹ lakhs)
Description	Gross Block			Depreciation/Amortisation				Net Block			Re-valuation Amount
	As at April 1, 2011	Additions	Deductions	As at March 31, 2012	Upto March 31, 2011	For the year (note vi)	On deductions	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012
Tangible assets											
Land											
- Freehold	10673.16	-	-	10673.16	-	-	-	-	10673.16	10673.16	4882.68
- Leasehold	4955.77	2026.12	-	6981.89	-	-	-	-	6981.89	4955.77	362.63
Roads	851.51	271.68	-	1123.19	113.65	18.54	-	132.19	991.00	737.86	5.69
Buildings	36306.42	4539.60	40.18	40805.84	7548.05	1206.16	16.60	8737.61	32068.23	28758.37	255.04
Plant and machinery	226058.69	13738.22	540.39	239256.52	95634.42	13714.90	443.35	108905.97	130350.55	130424.27	66.68
Furniture and fixtures	1870.22	226.25	4.64	2091.83	995.46	116.86	2.39	1109.93	981.90	874.76	
Office Equipment	2578.15	341.91	153.02	2767.04	1810.81	206.28	137.03	1880.06	886.98	767.34	-
Vehicles	2072.47	389.80	452.25	2010.02	858.26	365.74	315.47	908.53	1101.49	1214.21	-
Sub-total	285366.39	21533.58	1190.48	305709.49	106960.65	15628.48	914.84	121674.29	184035.20	178405.74	5572.72
Intangible Assets											
Goodwill	368.94	-	-	368.94	73.78	36.92	-	110.70	258.24	295.16	
Trade Marks	1139.70	-	-	1139.70	256.43	113.97	-	370.40	769.30	883.27	-
Technical Know-how	908.75	-	-	908.75	102.57	187.60	-	290.17	618.58	806.18	-
Software	914.68	389.02	-	1303.70	667.94	238.92	-	906.86	396.84	246.74	-
Sub-total	3332.07	389.02	-	3721.09	1100.72	577.41	-	1678.13	2042.96	2231.35	-
Total	288698.46	21922.60	1190.48	309430.58	108061.37	16205.89	914.84	123352.42	186078.16		5572.72
Previous year	270722.37	18893.51	917.42	288698.46	93548.44	15210.10	697.17	108061.37		180637.09	5610.60
Capital-work-in-progress									41426.46	11307.06	
									227504.62	191944.15	

## 11. Investments

Long term investments are valued at cost unless there is a decline in value, other than temporary. Current investments are valued at lower of cost or fair value

	As at March 31, 2013	As at March 31, 2012
<b>NON-CURRENT INVESTMENTS</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>Trade investments</b>		
<b>Investments in equity instruments</b>		
<b>Unquoted</b>		
Nil (Previous Year - 15,75,000) Equity shares of ₹10 each fully paid up of Arkay Energy (Rameshwaram) Limited (15,75,000 shares sold during the year)	-	157.50
42,21,535 (Previous Year - 42,21,535) Equity shares of ₹10 each fully paid up of Malanpur Captive Power Limited	422.15	422.15
<b>Investments in subsidiaries – unquoted</b>		
32,54,184 (Previous Year - 32,54,184) Equity shares of ₹100 each fully paid up of SRF Transnational Holdings Limited (A wholly owned subsidiary)	1472.57	1472.57
Less : Amount written off	(1472.57)	(1472.57)
	-	-

## 11. Investments (Contd.)

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
8,000 (Previous Year - 8,000) Equity shares of ₹100 each fully paid up of SRF Properties Limited (A wholly owned subsidiary)	589.56	589.56
20,002 (Previous Year - 20,002) Equity shares of USD(\$) 1 each fully paid up of SRF Fluor Private Limited (A wholly owned subsidiary)	9.08	9.08
Less : Provision for diminution in value	(9.08)	(9.08)
	-	-
28,00,000 (Previous Year - 9,10,000) Equity shares of ₹10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	280.00	91.00
18,90,000 Equity shares allotted during the year		
1,28,920 (Previous Year - 1,28,920) Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	7959.51	7959.51
50,000 (Previous Year - 50,000) equity shares of ₹10 each fully paid up of SRF Energy Limited (A wholly owned subsidiary)	5.00	5.00
50,000 (Previous Year - 50,000) equity shares of ₹10 each fully paid up of SRF Fluorochemicals Limited (A wholly owned subsidiary)	5.00	5.00
<b>Other investments</b>		
<b>Investments in equity instruments</b>		
<b>Unquoted</b>		
6,70,000 (Previous Year - 6,70,000) Equity shares of ₹10 each fully paid up of Sanghi Spinners Limited	11.69	11.69
Less : Provision for diminution in value	(11.69)	(11.69)
	-	-
<b>Total Non- current investments (long term investments)</b>	<b>9261.22</b>	<b>9229.72</b>
Aggregate amount of long term unquoted investments (net of provision)	9261.22	9229.72
Aggregate provision for diminution in value of long term investments	1493.34	1493.34
<b>CURRENT INVESTMENTS</b>		
<b>Investments in mutual funds</b>		
<b>Quoted</b>		
Nil (Previous Year - 2,50,00,000) Units of ₹10 each of SBI Mutual Fund - SBI Debt Fund Series - 370 Days - 12 Growth	-	2500.00
Nil (Previous year - 1,00,00,000) Units of ₹10 each of Kotak FMP - Series 79 Growth	-	1000.00
Nil (Previous year - 50,00,000) Units of ₹10 each of Taurus FMP - Series 2 Dividend Plan	-	500.00
50,00,000 (Previous year - 50,00,000) Units of ₹10 each of Kotak FMP - Series 84 - Growth	500.00	500.00
Nil (Previous year - 1,00,00,000) Units of ₹10 each of UTI Fixed Term Income Fund Series X - VIII- Growth	-	1000.00
Nil (Previous year - 1,27,55,392) Units of ₹12.23 each of Kotak Mahindra Short Term Daily Dividend Reinvestment Option	-	1559.74
Nil (Previous year - 1,04,317) Units of ₹1003.25 each of SBI Premium Liquid Fund-Institutional- Daily Dividend Reinvestment Option	-	1046.56



	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Nil (Previous year - 1,01,503) Units of ₹1000.09 each of Taurus Liquid Fund- Super Institutional- Daily Dividend Reinvestment Option	-	1015.12
Nil (Previous year - 99,996) Units of ₹1000.67 each of Templeton India Treasury Management Account Super Institutional Plan- Daily Dividend Reinvestment Option	-	1000.64
1,40,702 Units (Previous year - Nil) of ₹1424.55 each of Canara Robeco Liquid Fund - Growth	2004.37	-
1,96,38,906 Units (Previous Year - Nil) of ₹15.28 each of Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth	3000.00	-
13,70,254 Units (Previous Year - Nil) of ₹218.94 each of ICICI Prudential Flexible Income Fund - Growth	3000.00	-
1,60,71,916 Units (Previous Year - Nil) of ₹18.67 each of Kotak Floater Long Term - Growth	3000.00	-
10,041,577 Units (Previous Year - Nil) of ₹20.00 each of HDFC Floating Rate Fund - Growth	2008.69	-
<b>Unquoted</b>		
Nil (Previous year - 9,99,995) Units of ₹100.02 each of ICICI Prudential Liquid Super Institutional Plan Daily Dividend Reinvestment Option	-	1000.22
Nil (Previous year - 1,48,903) Units of ₹1019.45 each of UTI Liquid Cash Plan- Institutional- Daily Dividend Reinvestment Option	-	1517.99
<b>Total current investments</b>	<b>13513.06</b>	<b>12640.27</b>
Aggregate amount of current quoted investments	13513.06	10122.06
Aggregate amount of current unquoted investments	-	2518.21
Market value of current quoted investments	13565.58	10371.27
Net asset value/ repurchase price of units of mutual funds- unquoted	-	2518.21

## 12. Long Term Loans and Advances

(Unsecured considered good, unless otherwise stated)

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Capital advances*	4541.32	3418.99
Security deposits**#	2418.87	2312.79
Loans and advances to related parties	851.31	775.82
Loans to employees	448.18	474.73
Prepaid expenses	21.56	23.33
CENVAT/Service tax/VAT recoverable	3660.43	2439.28
Other loans and advances		
Unsecured - considered good	126.85	71.71
- considered doubtful	9.95	12.15
Less : Provision for doubtful advances	(9.95)	(12.15)
<b>Total long term loans and advances</b>	<b>12068.52</b>	<b>9516.65</b>

\* Includes ₹1962.16 lakhs (Previous Year – ₹1111.85 lakhs) paid to a party towards construction of a jointly owned asset.

\*\* Security deposits includes ₹1046.00 lakhs (Previous year - ₹1020.32 lakhs) as interest free security deposits for accommodation taken on lease for Company's officers / directors and various offices taken on lease by the Company.

# Refer note 34

**Loans and advances to related parties include:**

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Loan to SRF Global BV	814.20	763.05
Interest receivable from SRF Global BV	37.11	12.77
	<b>851.31</b>	<b>775.82</b>

### 13. Other Non-current Assets

	As at March 31, 2013	As at March 31, 2012
Unamortised upfront fees on loans	230.15	304.37
<b>Total other non-current assets</b>	<b>230.15</b>	<b>304.37</b>

### 14. Inventories

	As at March 31, 2013	As at March 31, 2012
Raw materials	16382.48	13919.38
Raw materials in transit	8761.36	6838.61
Stock-in-process	7999.47	6191.43
Stock-in-process in transit	87.98	78.69
Finished goods	9493.65	8205.08
Finished goods in transit	714.76	1165.50
Stock of traded goods	19.58	25.90
Stores and spares	6118.41	4767.84
Stores and spares in transit	-	27.18
Stock of Certified Emission Reductions	13.29	-
<b>Total inventories</b>	<b>49590.98</b>	<b>41219.61</b>

- a) Raw materials, stock-in-process, finished goods and stock of traded goods are valued at lower of cost and net realizable value.
- b) Stores and spares are valued at cost or under.

### 15. Trade Receivables

	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured – considered good	4.33	14.16
Unsecured – considered doubtful	281.50	270.97
	285.83	285.13
Less : Provision for doubtful receivables	281.50	270.97
	4.33	14.16
Other trade receivables		
Unsecured – considered good	45252.45	40788.73
<b>Total trade receivables</b>	<b>45256.78</b>	<b>40802.89</b>

### 16. Cash and Cash Equivalents

	As at March 31, 2013	As at March 31, 2012
Cash in hand	37.75	38.67
Cheques, drafts on hand	-	12.76
Balance with banks on		
Current accounts	6892.39	8837.42
Exchange Earners Foreign Currency (EEFC) accounts	-	1301.85
Deposit accounts	38.06	2035.54
	6968.20	12226.24
In earmarked accounts		
Margin money	173.33	213.75
Unclaimed dividend accounts	554.89	480.68
<b>Total cash and bank balances</b>	<b>7696.42</b>	<b>12920.67</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS - 3 - Cash Flow Statements is	6968.20	12226.24

## 17. Short-term Loans and Advances

(Unsecured considered good, unless otherwise stated)

	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
Loans to employees	333.57	248.89
Loans and advances to related parties		
Unsecured - considered good	557.69	121.14
- considered doubtful	6.56	6.56
Less : Provision for doubtful advances	(6.56)	(6.56)
	557.69	121.14
Deposits with customs and excise authorities	147.13	673.51
Security deposits	83.63	88.31
Claims recoverable	2343.00	1004.56
CENVAT/Service tax/VAT recoverable	3027.48	4207.77
Advance to suppliers	771.38	1178.55
Prepaid expenses	572.61	440.88
Other loans and advances		
Unsecured - considered good	135.98	254.13
- considered doubtful	279.45	279.39
Less : Provision for doubtful advances	(279.45)	(279.39)
<b>Total short-term loans and advances</b>	<b>7972.47</b>	<b>8217.74</b>

Loans and advances to related parties includes:

Name of the related party	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
SRF Overseas Limited	15.82	0.49
SRF Industries (Thailand) Limited	211.06	46.62
SRF Industex Belting (Pty) Limited	111.30	17.44
SRF Transnational Holdings Limited	-	6.46
SRF Fluor Private Limited		
Unsecured - considered doubtful	6.56	6.56
Less : Provision for doubtful advances	(6.56)	(6.56)
	-	-
SRF Global BV	19.69	1.66
SRF Flexipak (South Africa) (Pty) Limited	199.82	43.70
Shri Educare Limited	-	4.77
<b>Total loans and advances to related parties</b>	<b>557.69</b>	<b>121.14</b>

## 18. Other Current Assets

	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
Unamortised upfront fees on loans	76.85	74.33
<b>Total other current assets</b>	<b>76.85</b>	<b>74.33</b>

## 19. Sale of Products\*

	Year ended March 31, 2013		Year ended March 31, 2012	
	Quantity (MT)	Value (₹ lakhs)	Quantity (MT)	Value (₹ lakhs)
<b>Manufactured</b>				
Synthetic Filament Yarn including Industrial Yarn/Tyre Cord/Twine	11443.49	22280.26	11464.85	22206.15
Nylon Tyre Cord Fabric/ Polyester tyre cord fabric / Industrial Yarn Fabric	49313.16	143792.28	49874.91	144268.17
Laminated Fabric#	556.59	16603.15	441.52	12653.29
Nylon / PBT / PC Compounding Chips	8943.79	16565.11	8795.57	15867.33
Fluorochemicals & Allied Products **	10756.32	44875.69	11359.80	68724.16
HFC 134a	2822.27	11603.23	3736.90	16832.22
Gypsum (By Product)	36443.80	324.48	37440.95	329.98
Hydrochloric Acid (By Product)	69633.31	589.71	72791.08	802.20
Chloromethanes	24189.07	5914.33	20399.17	7332.01
Fluorospecialities Chemicals	2341.13	28259.82	1451.38	14066.86
Packaging Films	54127.75	66765.02	60160.62	72125.27
Waste/Others		1003.14		1337.89
		<b>358576.22</b>		<b>376545.53</b>
Traded goods		982.14		774.92
<b>Sale of products (gross)</b>		<b>359558.36</b>		<b>377320.45</b>
Less: Excise Duty		28281.32		26047.70
<b>Sale of products (net)</b>		<b>331277.04</b>		<b>351272.75</b>

\* Net of sales returns and damaged stocks, etc

\*\*\* Includes sales of Certified Emission Reductions of ₹26269.15 lakhs (Previous Year – ₹43972.72 lakhs)

# quantity in Lakh SQM

## 20. Other Operating Revenue

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Claims	46.31	94.16
Export incentives	21.30	183.65
Scrap sales	756.08	723.50
Other operating income	153.70	447.77
<b>Total other operating revenue</b>	<b>977.39</b>	<b>1449.08</b>

## 21. Other Income

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Dividend on current investments	647.54	1347.70
Profit on sale of current investments	438.82	-
Profit on sale of long term investment	-	10.00
Provision / Liabilities no longer required written back	198.22	434.87
Profit on sale of fixed assets	2314.97	479.62
Interest income		
• from customers	21.23	8.05
• on loans and deposits	58.10	36.34
• on others*	144.12	157.09
Other non-operating income	552.34	632.14
<b>Total other income</b>	<b>4375.34</b>	<b>3105.81</b>

\* Includes income tax deducted at source ₹14.29 lakhs (previous year ₹12.54 lakhs)



## 22. a) Cost of raw materials consumed

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Opening stock of Raw Materials	20757.99	24873.24
Add : Purchase of Raw Materials	195759.40	198001.03
	216517.39	222874.27
Less : Closing Stock of Raw Materials	25143.84	20757.99
<b>Cost of materials consumed</b>	<b>191373.55</b>	<b>202116.28</b>

## 22. b) Raw material consumption

	Year ended March 31, 2013		Year ended March 31, 2012	
	Quantity (MT)	Value (₹ lakhs)	Quantity (MT)	Value (₹ lakhs)
Caprolactam	39447.30	57028.36	41489.90	68931.64
Fluorospar	21880.76	6997.85	22799.96	5188.79
Chloromethanes	-	-	483.01	122.46
Sulphuric Acid	25760.29	1207.71	26380.74	1221.80
Chlorine	43682.05	601.20	41889.30	2033.54
Methanol	13686.06	2897.26	12320.82	2383.54
Caustic Soda	2513.59	396.74	2388.36	304.80
Trichloro Ethylene	3956.94	1997.10	5063.70	3910.38
Nylon yarn/Fabric		53147.43		24167.68
Polyester Chips	30649.76	25155.93	40575.10	31560.76
PTA	29458.40	18442.68	25362.74	15668.32
MEG	11585.72	6732.36	10083.93	5726.69
Fabric *	616.99	4252.22	475.96	3396.90
Others		12516.71		37498.98
<b>Total</b>		<b>191373.55</b>		<b>202116.28</b>

\* quantity in Lakh SQM

## 23. Purchase of Traded Goods

	Year ended March 31, 2013		Year ended March 31, 2012	
	Quantity (MT)	Value (₹ lakhs)	Quantity (MT)	Value (₹ lakhs)
Yarn	277.09	565.32	156.21	329.45
Chloromethanes	-	-	85.53	257.00
Refrigerant gases	103.03	318.55	-	-
Others		17.83		53.71
<b>Total</b>		<b>901.70</b>		<b>640.16</b>

**24. a) (Increase)\Decrease in inventories of finished goods, stock-in-process and traded goods**

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Opening Stock		
Stock-in-Process	6270.12	6495.35
Finished goods	9370.58	8518.86
Traded goods	25.90	-
Stock of Certified Emission Reductions*	135.22	-
	<b>15801.82</b>	<b>15014.21</b>
Stock produced during trial run		
Finished goods	277.30	-
	<b>277.30</b>	<b>-</b>
Closing Stock		
Stock-in-Process	8087.45	6270.12
Finished goods	10208.41	9370.58
Traded goods	19.58	25.90
Stock of Certified Emission Reductions	13.29	-
	<b>18328.73</b>	<b>15666.60</b>
(Increase) \ Decrease in inventories of finished goods, stock-in-process and traded goods		
Stock-in-Process	(1817.33)	225.23
Finished goods	(560.53)	(851.72)
Traded goods	6.32	(25.90)
Stock of Certified Emission Reductions	121.93	-
	<b>(2249.61)</b>	<b>(652.39)</b>

\* Refer note 46

**24. b) Opening and closing stock of finished goods**

	As at March 31, 2013		As at March 31, 2012		As at March 31, 2012	
	Closing Quantity (MT)	Stock Value (₹ lakhs)	Closing Quantity (MT)	Stock Value (₹ lakhs)	Opening Quantity (MT)	Stock Value (₹ lakhs)
Synthetic Filament Yarn including Industrial Yarn / Tyre Cord / Twine	632.43	1116.45	535.60	1367.32	767.62	1224.45
Nylon Tyre Cord Fabric / Polyester Tyre cord fabric / Industrial Yarn Fabric*	1315.56	2947.29	1227.94	2797.81	877.09	1958.78
Laminated Fabric#	4.57	161.64	1.84	58.65	11.31	326.79
Nylon / PBT / PC Compounding Chips	294.41	441.98	195.80	310.75	356.77	542.45
Fluorochemicals & Allied Products	1292.48	1448.12	435.72	514.89	483.85	463.63
HFC 134a	292.75	814.65	262.32	775.26	273.55	753.68
Hydrofluoric Acid (Anhydrous)	207.07	98.54	254.78	207.64	289.10	175.16
Chloromethanes**	2087.90	299.01	2102.55	459.42	1427.23	333.75
Fluorospecialties Chemicals	312.61	1695.21	274.62	1600.28	224.23	1295.71
Packaging Films	1094.93	1182.10	1236.38	1232.93	1580.34	1417.35
Certified Emission Reductions##	30449.00	13.29		-		-
Others		3.42		45.63		27.11
<b>Total</b>		<b>10221.70</b>		<b>9370.58</b>		<b>8518.86</b>

\* includes yarn in process of conversion into fabric

\*\* includes chloromethanes in process of conversion into refrigerant gases

# quantity in lakhs SQM

## quantity in Nos.

**24. c) Inventory of stock in process**

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Synthetic Filament Yarn including Industrial Yarn / Tyre Cord / Twine	1355.16	786.14
Nylon Tyre Cord Fabric / Polyester tyre cord fabric / Industrial Yarn Fabric	2748.34	1995.89
Nylon Chips	281.71	999.88
Coated / laminated fabrics	50.10	566.13
Refrigerant gases	197.90	6.59
Fluorospecialities and allied products	743.33	558.45
Chloromethanes	-	18.16
Packaging films	2034.23	1177.14
Others	676.68	161.74
<b>Total</b>	<b>8087.45</b>	<b>6270.12</b>

**25. Employee Benefits Expenses**

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages, bonus, etc	16290.14	13152.23
Contribution to provident and other funds	1460.31	1305.19
Workmen and staff welfare expenses	2493.07	1947.45
	<b>20243.52</b>	<b>16404.87</b>

**26. Finance Costs**

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Interest expenses		
- On debentures and loans for fixed period	3540.03	4597.00
- Cash Credit and others	2043.85	2013.89
Other borrowing costs	952.26	1090.59
Net (gain)/loss on foreign currency transactions and translation (considered as finance cost)	1928.69	2707.84
<b>Total finance costs</b>	<b>8464.83</b>	<b>10409.32</b>

**27. Depreciation and Amortization Expenses**

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation on tangible assets (Refer note 10)	18007.82	15628.48
Amortization on intangible assets (Refer note 10)	467.10	577.41
Less : Transfer from revaluation reserve (Refer note 3(c))	(47.33)	(37.82)
<b>Net Depreciation and amortization expense</b>	<b>18427.59</b>	<b>16168.07</b>

## 28. Other Expenses

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Stores and Spares consumed (excluding ₹3677.16 lakhs (Previous Year - ₹2655.74 lakhs) charged to repairs and maintenance)	3515.35	2270.34
Power and Fuel	33653.43	26699.44
Rent	1163.27	991.05
Repairs and Maintenance		
- Buildings	241.87	261.73
- Plant and machinery	5266.00	4277.50
- Other Maintenance	1619.53	1226.31
Insurance	799.06	761.15
Rates and taxes	400.74	242.01
Freight	7124.54	5928.41
Professional and legal charges	1855.48	2953.28
Contract conversion charges	392.86	640.65
Travel	939.36	796.94
Directors' sitting fees	9.90	11.70
Selling commission	886.77	1121.97
Increase / (decrease) in excise duty on closing stock	332.03	71.99
Provision for doubtful debts / advances	17.60	30.31
Bad debts / advances written off	18.76	1.28
Fixed assets discarded	168.73	40.09
Provision for investments	-	9.08
Auditors' Remuneration (net of service tax input credit)		
- Audit Fees	45.00	45.00
- For limited review of unaudited financial results	30.00	24.00
- For corporate governance, consolidated financial statements and other certificates	11.45	9.50
- For tax audit	8.50	5.00
Exchange currency fluctuation	1631.34	2272.04
Miscellaneous expenses	4077.35	3464.22
<b>Total other expenses</b>	<b>64208.92</b>	<b>54154.99</b>

## 29. Contingent Liabilities Not Provided For

### a. Claims against the Company not acknowledged as debts:

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Excise duty, customs duty and service tax * @	6290.11	5924.08
Sales Tax ** @#	8412.70	1225.28
Income Tax****	778.79	356.82
Stamp Duty*****	2881.55	2881.55
Others ***#	1766.32	474.33

\* Amount deposited ₹448.69 lakhs (Previous year - ₹315.92 lakhs)

\*\* Amount deposited ₹9.75 lakhs (Previous Year - ₹7.16 lakhs)

\*\*\* Amount deposited ₹8.00 lakhs (Previous Year - ₹8.00 lakhs)

\*\*\*\* Amount deposited ₹501.65 lakhs (Previous year - Nil)

\*\*\*\*\* 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 ₹30300 lakhs and levied a stamp duty of ₹2372.50 lakhs and imposed a penalty of ₹509.05 lakhs. The said demand was challenged before the High Court of Madhya Pradesh Bench at Gwalior. The High Court 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 ₹2776.18 lakhs and not the entire undertaking valued at ₹30300 lakhs as claimed by the State. Consequently, the 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 ₹2064.30 lakhs (Previous Year - ₹1793.81 lakhs) and ₹38.00 lakhs (Previous Year - ₹38.00 lakhs) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.
- # includes demand on account of central sales tax, VAT and entry tax aggregating to ₹6034.68 lakhs received by the Company subsequent to the year end. The Company is in the process of filing writ petition with the Hon'ble High Court relating to the above demand.

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. Liability on account of Bank Guarantees ₹823.82 lakhs (Previous Year – ₹1260.26 lakhs)
- c. Guarantees given to banks for repayment of financial facilities availed by wholly owned subsidiaries are as below:

Name of the subsidiary	Currency	Guarantee amount as at		Loan outstanding against the guarantee as at	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
SRF Flexipak (South Africa) (Pty) Limited	Euro	3.50	3.50	0.14	-
	USD	46.00	-	19.50	-
	USD	19.49	-	6.19	-
	USD	14.95	-	-	-
SRF Global BV	USD	20.00	20.00	20.00	20.00
	USD	18.00	18.00	3.82	13.00
	USD	16.50	16.50	-	15.03
	USD	10.00	-	-	-
	USD	23.00	-	20.00	-
	USD	23.00	-	20.00	-
SRF Industries (Thailand) Limited	USD	52.00	-	36.00	-
	Euro	23.00	-	1.72	-

- d. Guarantees given to banks for repayment of financial facilities availed by others – ₹250.00 lakhs (Previous Year – ₹250.00 lakhs). Outstanding amount as at the year-end is ₹66.69 lakhs (Previous Year – Nil).
- e. The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty amounting to ₹266.79 lakhs (Previous year - ₹72.24 lakhs) 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.



30. The details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 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* (₹ lakhs)
Central Excise Laws	Excise Duty	High Court	1996-1997	213.79
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1983-2008	5960.26
		Upto Commissioner (Appeals)	1992-2010	559.82
Service Tax Laws	Service Tax	High Court	2006	2.50
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2010	45.88
		Upto Commissioner (Appeals)	2005-2012	300.47
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2004-2006	45.43
		Upto Commissioner (Appeals)	1998-2005	29.23
Sales Tax Laws	Sales Tax	High Court	2007-2013	8300.50
		Sales Tax Appellate Tribunal	1987-2008	102.28
		Upto Commissioner (Appeals)	1988-2013	32.75
Income Tax Laws	Income Tax	Supreme Court	1988-1989	113.35
Others	Electricity Cess	High Court	2007-2008	6.00

\* 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* (₹ lakhs)
Central Excise Laws	Excise Duty	Supreme Court	1994-2001	162.55
		High Court	1994-1999	131.35
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1989-1995	223.61
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005	7.05
Sales Tax Laws	Sales Tax	Rajasthan Tax Board	2001-2002	39.04
Income Tax Laws	Income Tax	High Court	1988-2003	170.52
		Income Tax Appellate Tribunal (ITAT)	1994-2006	106.62

### 31. Capital and other Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to ₹16989.76 lakhs (Previous Year - ₹10233.03 lakhs).

Further, the Company is to make the following investments:

- Capital expenditure projects for Packaging Films Business in South Africa and Thailand – USD 33.06 million (equivalent to ₹17944.97 lakhs) (Previous Year – USD 89.50 million i.e. equivalent to ₹45528.65 lakhs).
- SRF Holiday Home Limited – ₹120.00 lakhs (Previous Year – ₹309.00 lakhs)

The Company has other commitments, for purchase / 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 other long term commitments or material non-cancellable contractual commitments / contracts, which may have a material impact on the financial statements.

### 32. Research and Development Expenses

The details of research and development expenditure of ₹3137.31 lakhs (Previous Year - ₹2716.62 lakhs) included in notes 22 to 28 above are as under:-

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Capital Expenditure	360.59	617.68
Revenue Expenditure	2776.72	2098.94
<b>Total</b>	<b>3137.31</b>	<b>2716.62</b>

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

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Cost of materials consumed	37.68	64.14
Salaries and wages	925.02	765.96
Contribution to provident and other funds	67.33	58.04
Workmen and staff welfare expenses	129.69	101.67
Stores and Spares consumed	287.86	136.69
Power and Fuel	125.43	84.00
Rent	30.16	6.33
Repairs and Maintenance		
- Buildings	16.39	31.67
- Plant and machinery	189.90	142.88
- Other Maintenance	86.97	40.87
Insurance	9.47	9.31
Rates and taxes	3.18	2.83
Travel	53.30	36.22
Professional and legal charges	65.59	73.83
Depreciation and amortization expenses	513.39	385.70
Miscellaneous	235.36	158.80
	<b>2776.72</b>	<b>2098.94</b>

### 33. Managerial Remuneration

#### (i) (a) Chairman / Managing Director / Deputy Managing Director / Whole time Director

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Salary and allowances	322.52	322.08
Contribution to Provident and Superannuation Funds	85.86	85.86
Value of Perquisites	161.05	150.88
Commission (Provided)	475.00	475.00
<b>SUB-TOTAL</b>	<b>1044.43</b>	<b>1033.82</b>

#### (b) Non-Executive Directors

Commission (Provided)	29.94	31.44
Directors' Sitting Fees	9.90	11.70
<b>SUB-TOTAL</b>	<b>39.84</b>	<b>43.14</b>
<b>TOTAL</b>	<b>1084.27</b>	<b>1076.96</b>

As there is a global contribution to gratuity fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to gratuity fund in respect of directors has not been considered in the above computation. Further, the liability on account of compensated absences in respect of directors has not been considered above, since the provision is based on an actuarial basis for the Company as a whole.

## (ii) Computation of managerial remuneration in accordance with section 198 of the Companies Act, 1956

	Year ended March 31, 2013	Year ended March 31, 2012
Profit before taxation	35259.27	56586.34
<b>Add:</b>		
Wealth tax	13.66	11.50
Managerial Remuneration including commission	1084.27	1076.96
Loss on sale / write off of assets as per accounts	187.49	41.37
Provision for Doubtful Debts / Advances / investments	17.60	30.31
<b>Sub Total</b>	<b>1303.02</b>	<b>1160.14</b>
<b>Less:</b>		
Profit on sale of assets as per accounts	2314.97	479.62
Dividend on current investments	647.54	1347.70
Profit on sale of current investments	438.82	10.00
Excess Provision written back	198.22	434.87
<b>Sub Total</b>	<b>3599.55</b>	<b>2272.19</b>
<b>Profit as per section 349 of the Companies Act, 1956</b>	<b>32962.74</b>	<b>55474.29</b>
Maximum remuneration as commission and/or salary including perquisites @ 10% of net profit of ₹32962.74 lakhs (Previous Year @ 10% of ₹55474.29 lakhs) which can be paid to Managing Directors / Whole time Directors under section 309 of the Companies Act, 1956	3296.27	5547.42
<b>Remuneration paid to Managing Directors / Whole Time Directors</b>	<b>1044.43</b>	<b>1033.82</b>
Maximum commission payable to Non-Executive Directors @ 1% of net profit of ₹32962.74 lakhs (Previous Year ₹55474.29 lakhs) under section 309 of the Companies Act, 1956	329.62	554.74
<b>Commission payable / paid to Non-Executive Directors</b>	<b>29.94</b>	<b>31.44</b>

## 34. Related Party Disclosures under AS-18 "Related Party Disclosures"

As per Accounting standard AS –18 "Related Party Disclosures" the Company's related parties and transactions with them are disclosed below:

## A NAME OF RELATED PARTY AND NATURE OF RELATED PARTY RELATIONSHIP

By virtue of control (Subsidiaries and fellow sub- sidiaries) (a)	By virtue of control (Holding Company) (b)	Key Management Personnel and their relatives (c)	Enterprises over which (c) have significant influence (d)
<b>Fellow subsidiaries with effect from August 3, 2012</b>	• KAMA Holdings Limited with effect from August 3, 2012	• Mr Arun Bharat Ram, Chairman • Mr Ashish Bharat Ram, Managing Director • Mr Kartikeya Bharat Ram, Deputy Managing Director	• KAMA Holdings Limited became holding company on August 3, 2012 • KAMA Realty (Delhi) Limited become fellow subsidiary on August 3, 2012
• KAMA Realty (Delhi) Limited • Shri Educare Limited • Shri Educare Maldives Private Limited • KHL Investments Limited			
By virtue of control (Subsidiaries and fellow sub- sidiaries) (a)	By virtue of control (Holding Company) (b)	Key Management Personnel and their relatives (c)	Enterprises over which (c) have significant influence (d)

**Subsidiaries**

- SRF Overseas Limited
- SRF Transnational Holdings Limited
- SRF Properties Limited
- SRF Holiday Home Limited
- SRF Energy Limited
- SRF Fluorochemicals Limited
- SRF Fluor Private Limited
- SRF Global BV
- SRF Industries (Thailand) Limited
- SRF Industex Belting (Pty) Limited
- SRF Flexipak (South Africa) (Pty) Limited

- Mr K. Ravichandra, Whole Time Director
- The Late Mrs Manju Bharat Ram, Wife of Mr Arun Bharat Ram

- Shri Educare Limited became fellow subsidiary on August 3, 2012
- Shri Educare Maldives Private Limited became fellow subsidiary on August 3, 2012
- KHL Investments Limited became fellow subsidiary on August 3, 2012
- SRF Foundation
- Karm Farms Private Limited
- Srishti Westend Greens Farms Private Limited

**B TRANSACTIONS WITH RELATED PARTIES REFERRED TO IN NOTE 34A ABOVE**

Nature of Transactions	(a)		(b)		(c)		(d)	
	Year ended		Year ended		Year ended		Year ended	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
<b>Purchase of goods from</b>								
- SRF Overseas Limited	66.73	60.70						
- SRF Industries (Thailand) Limited	39.38	132.52						
<b>Sale of goods to</b>								
- SRF Overseas Limited	5265.49	6790.59						
- SRF Industries (Thailand) Limited	1518.66	627.20						
- SRF Industex Belting (Pty) Limited	3845.25	7132.96						
<b>Purchase of fixed assets from</b>								
- SRF Industex Belting (Pty) Limited	0.44	-						
<b>Rendering of services to</b>								
- SRF Overseas Limited	31.25	65.78						
- SRF Global BV	75.30	23.55						
- SRF Flexipak (South Africa) (Pty) Limited	80.57	5.82						
- SRF Industries (Thailand) Limited	205.54	125.02						
- SRF Industex Belting (Pty) Limited	54.53	94.79						
- SRF Tech Textile B.V.	-	11.14						

(₹ lakhs)

Nature of Transactions	(a) Year ended		(b) Year ended		(c) Year ended		(d) Year ended	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
<b>Management contracts including for deputation of employees to</b>								
- SRF Transnational Holdings Limited	-	13.75						
- KAMA Holdings Limited			6.25	-			-	16.83
- KAMA Realty (Delhi) Limited							-	5.45
<b>Rent paid to</b>								
- SRF Properties Limited	19.20	17.00						
- Kama Realty (Delhi) Limited	427.80	-					213.90	641.70
- Karm Farms Private Limited							30.00	30.00
- Srishti Westend Greens Farms Private Limited							30.00	30.00
- Mrs Manju Bharat Ram					18.00	12.00		
- Mr Arun Bharat Ram					6.00	-		
- Mr Ashish Bharat Ram					2.00	-		
- Mr Kartikeya Bharat Ram					2.00	-		
<b>Managerial Remuneration paid to</b>								
- Mr Arun Bharat Ram					493.30	489.90		
- Mr Ashish Bharat Ram					286.16	281.68		
- Mr Kartikeya Bharat Ram					257.47	255.24		
- Mr K Ravichandra					7.50	7.00		
<b>Interest income on ICDs / loans from</b>								
- SRF Global BV	23.69	12.77						
<b>Reimbursement of expenses from</b>								
- SRF Overseas Limited	1.82	2.40						
- SRF Industries (Thailand) Limited	83.03	34.63						
- SRF Industex Belting (Pty) Limited	51.62	27.74						
- SRF Global BV	1.06	69.91						
- SRF Properties Limited	2.29	3.32						
- SRF Fluor Private Limited	-	0.55						
- SRF Flexipak (South Africa) (Pty) Limited	73.86	37.88						
- SRF Tech Textile BV	-	0.64						
- KAMA Holdings Limited			0.54	-			7.18	46.50
- SRF Foundation							-	7.63
- Shri Educare Limited	0.56	-					0.15	20.73



Nature of Transactions	(₹ lakhs)							
	(a)		(b)		(c)		(d)	
	Year ended 31.03. 2013	Year ended 31.03. 2012	Year ended 31.03. 2013	Year ended 31.03. 2012	Year ended 31.03. 2013	Year ended 31.03. 2012	Year ended 31.03. 2013	Year ended 31.03. 2012
<b>Reimbursement of expenses paid</b>								
- SRF Industries (Thailand) Limited	-	0.57						
- SRF Industex Belting (Pty) Limited	4.16	1.12						
- SRF Overseas Limited	14.36	-						
- KAMA Holdings Limited							-	41.11
- Shri Educare Limited	4.27	-						
<b>Loans / deposits given to (including exchange fluctuation)</b>								
- SRF Global BV	51.15	693.90						
<b>Recovery of sums written off</b>								
- SRF Foundation							-	400.00
<b>Increase in security deposit to</b>								
- Mrs Manju Bharat Ram					-	12.00		
- Mr Ashish Bharat Ram					0.60	-		
- Mr Kartikeya Bharat Ram					0.60	-		
<b>Donations to</b>								
- SRF Foundation							25.00	100.00
<b>Receivables provided for</b>								
- SRF Fluor Private Limited	-	6.56						
<b>Investments made in</b>								
- SRF Holiday Home Limited	189.00	44.00						
<b>Investments provided for</b>								
- SRF Fluor Private Limited	-	9.08						
<b>Guarantees given</b>								
- SRF Industries (Thailand) Limited								
In Millions USD	52.00	-						
In Millions Euro	23.00	-						
- SRF Global B.V.								
In Million USD	56.00	31.00						
- SRF Flexipak (South Africa) (Pty) Limited								
In Million Euro	-	3.50						
In Million USD	80.44	-						

**Balances outstanding as at the year-end:-**

(₹ lakhs)

Nature of Transactions	(a) As at		(b) As at		(c) As at		(d) As at	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
<b>Receivables</b>								
- SRF Overseas Limited	970.64	736.08						
- SRF Transnational Holdings Limited	-	6.46						
- SRF Industries (Thailand) Limited	286.55	81.51						
- SRF Industex Belting (Pty) Limited	1379.64	1907.88						
- SRF Flexipak (South Africa) (Pty) Limited	199.82	43.70						
- Shri Educare Limited							-	4.77
- SRF Global BV	19.69	38.22						
- SRF Fluor Private Limited	6.56	6.56						
<b>Payables</b>								
- SRF Overseas Limited	14.32	-						
- SRF Industex Belting (Pty) Limited	222.85	-						
<b>Commission Payable</b>								
- Mr Arun Bharat Ram					225.00	225.00		
- Mr Ashish Bharat Ram					125.00	125.00		
- Mr Kartikeya Bharat Ram					125.00	125.00		
<b>Loans given outstanding</b>								
- SRF Global BV	814.20	763.05						
<b>Interest outstanding</b>								
- SRF Global BV	37.11	12.77						
<b>Security Deposits outstanding</b>								
- KAMA Realty (Delhi) Limited	330.00	-					-	330.00
- Karm Farms Private Limited							310.00	310.00
- Srishti Westend Greens Farms Private Limited							310.00	310.00
- Mr Arun Bharat Ram					12.00	-		
- Mr Ashish Bharat Ram					0.60	-		
- Mr Kartikeya Bharat Ram					0.60	-		
- Mrs Manju Bharat Ram					-	12.00		

(₹ lakhs)

Nature of Transactions	(a) As at		(b) As at		(c) As at		(d) As at	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
<b>Equity Investment outstanding</b>								
- SRF Transnational Holdings Limited	1472.57	1472.57						
Less : Amount written off	(1472.57)	(1472.57)						
- SRF Properties Limited	589.56	589.56						
- SRF Holiday Home Limited	280.00	91.00						
- SRF Energy Limited	5.00	5.00						
- SRF Flurochemicals Limited	5.00	5.00						
- SRF Global BV	7959.51	7959.51						
- SRF Fluor Private Limited	9.08	9.08						
Less: Provision for investment	(9.08)	(9.08)						
<b>Guarantees outstanding</b>								
- SRF Industries (Thailand) Limited								
In Million USD	52.00	-						
In Million Euro	23.00	-						
- SRF Global B.V.								
In Millions USD	110.50	51.00						
- SRF Flexipak (South Africa) (Pty) Limited								
In Million Euro	3.50	3.50						
In Million USD	80.44	-						

### 35. Earnings Per Share

	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax (₹ lakhs)	25850.70	38738.00
Weighted average number of equity shares outstanding (Nos.)	57420500	59098455
Basic and diluted earnings per share in rupees (₹) (face value – ₹10 per share)	45.02	65.55

### 36. Employee Benefits

The Company has classified various benefits provided to employees as under:

#### i) Defined contribution plans

- Superannuation fund
- Provident fund administered through Regional Provident Fund Commissioner
- Employees' State Insurance Corporation

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

#### ii) Defined benefit plans

- Gratuity
- Compensated absences – earned leaves
- Provident fund for certain category of employees administered through a recognized provident fund trust

In accordance with Accounting Standard (AS) – 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using Projected Unit Credit Method. The details of the same are as follows:-

	Gratuity (Funded)		Compensated Absences – earned leaves (Unfunded)	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate (per annum)	8.00%	8.50%	8.00%	8.50%
Future salary increase	7.00%	7.50%	7.00%	7.50%
Expected rate of return on plan assets	8.00%	8.00%	-	-
In service mortality	IALM (1994-96)	LIC (1994-96) duly modified	IALM (1994-96)	LIC (1994-96) duly modified
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates				
- up to 30 years	3.00	3.00	3.00	3.00
- up to 44 years	2.00	2.00	2.00	2.00
- above 44 years	1.00	1.00	1.00	1.00

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

#### Reconciliation of opening and closing balances of Defined Benefit Obligations

(₹ lakhs)

	Gratuity (Funded)		Compensated Absences – earned leaves (Unfunded)	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Present value of obligation as at the beginning of the year	2799.81	2449.43	1168.29	1021.92
Current service cost	260.16	214.61	169.56	132.36
Interest cost	223.99	208.20	93.46	86.86
Benefits paid	(118.20)	(332.79)	(133.09)	(140.92)
Actuarial loss / (gain)	76.27	260.36	71.82	68.07
<b>Present value of obligation as at the end of the year</b>	<b>3242.03</b>	<b>2799.81</b>	<b>1370.04</b>	<b>1168.29</b>

#### Reconciliation of opening and closing balances of fair value of plan assets

(₹ lakhs)

	Gratuity (Funded)	
	Year ended March 31, 2013	Year ended March 31, 2012
Fair value of plan assets at the beginning of the year	2543.90	1987.32
Estimated return on plan assets	203.51	158.99
Employers' contribution	331.94	574.01
Benefits paid	(118.20)	(179.12)
Actuarial gain / (loss) on plan assets	58.32	2.70
<b>Plan assets at the end of the year</b>	<b>3019.47</b>	<b>2543.90</b>
<b>Composition of Plan Assets:</b>		
HDFC Group unit linked plan Fund	97.40%	96.65%
Others including bank balances	1.91%	2.48%
Government of India Securities	0.69%	0.87%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**Reconciliation of fair value of assets and obligations**

(₹ lakhs)

	Gratuity (Funded)		Compensated Absences – earned leaves (Unfunded)	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Present value of obligation as at the year end	3242.03	2799.81	1370.04	1168.29
Fair value of plan assets	3019.47	2543.90	-	-
Net assets / (liability) recognized in the balance sheet	(222.56)	(255.91)	(1370.04)	(1168.29)
- Current	(222.56)	(255.91)	(321.94)	(243.75)
- Non Current	-	-	(1048.10)	(924.54)

**Expenses recognised in the statement of profit and loss.**

(₹ lakhs)

	Gratuity (Funded)		Compensated Absences – earned leaves (Unfunded)	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	260.16	214.61	169.56	132.36
Interest cost	223.99	208.20	93.46	86.86
Expected return on planned assets	(203.51)	(158.99)	-	-
Actuarial loss / (gain)	17.95	257.66	71.82	68.07
<b>Total expense</b>	<b>298.59</b>	<b>521.48</b>	<b>334.84</b>	<b>287.29</b>

**Gratuity****Net Assets / (Liabilities) recognised in the Balance Sheet**

(₹ lakhs)

As on	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Present value of obligation	3242.03	2799.81	2449.43	1974.51	1740.93
Fair Value of Plan Assets	3019.47	2543.90	1987.32	1888.48	1458.60
Net Assets / (Liability)	(222.56)	(255.91)	(462.11)	(86.03)	(282.33)

**Experience on actuarial Gain / (Loss) for Benefit Obligation and Plan Assets**

(₹ lakhs)

Year ended	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
On Plan Present value of obligation	(62.28)	(283.00)	658.67	(143.83)	(538.55)
On Plan Assets	58.32	2.70	(34.96)	51.02	(39.30)

**Compensated absences – earned leaves****Net Liabilities recognised in the Balance Sheet**

(₹ lakhs)

As on	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Present value of obligation	1370.04	1168.29	1021.92	798.22	730.18
Plan Assets	-	-	-	-	-
Net Assets / (Liability)	(1370.04)	(1168.29)	(1021.92)	(798.22)	(730.18)

**Experience on actuarial Gain / (Loss) for Benefit Obligation**

(₹ lakhs)

Year ended	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
On Plan Present value of obligation	(65.98)	(77.43)	(149.82)	(19.08)	(132.06)
On Plan Assets	-	-	-	-	-

The Company's best estimate of the contribution expected to be paid in the next year is ₹583.13 lakhs (Previous Year – ₹218.51 lakhs) for gratuity and ₹380.34 lakhs (Previous Year – ₹208.30 lakhs) for leave encashment.



### Long Term Retention Pay

The Company has a Long Term Retention Pay Plan. The plan covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three years which commenced from financial year 2010-11 subject to achievement of certain performance ratings. Based on actuarial valuation, the Company has accrued ₹244.71 lakhs (Previous Year – ₹259.39 lakhs) towards this plan till March 31, 2013.

(₹ lakhs)

	As at March 31, 2013	As at March 31, 2012
- Current	103.87	143.55
- Non Current	140.84	115.84
<b>Total</b>	<b>244.71</b>	<b>259.39</b>

**Superannuation - Defined Contribution Plan** where contributions are made to a Trust which in turn contributes to ICICI Prudential Life Insurance Co. Limited

Apart from being covered under the Gratuity Plan described above, 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.

### Provident Fund

In addition to the above benefits, all employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company 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 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. The details of the valuation are as below:

### Actuarial assumptions – Provident Fund

	Year ended March 31, 2013
Discount rate (per annum)	8.50 %
In service mortality	IALM (1994-96)
Retirement age	58 years

(₹ lakhs)

Reconciliation of Projected Benefit Obligation	March 31, 2013
Projected benefit obligation at beginning of year	4412.66
Current service cost	292.19
Interest cost	375.07
Contributions by plan participants / employees	402.35
Actuarial (gain) / loss due to interest guarantee	31.65
Benefits paid	(443.77)
Settlements	98.56
<b>Projected benefit obligation at end of year</b>	<b>5168.71</b>

	(₹ lakhs)
<b>Reconciliation of Plan Assets</b>	<b>March 31, 2013</b>
Plan asset at beginning of year	4427.22
Expected return on plan asset	376.31
Employer contribution	292.19
Plan participants / employee contribution	402.36
Benefit payments	(443.77)
Asset gain / (loss)	16.77
Settlements	98.56
Ending asset at fair value	5169.64

	(₹ lakhs)
<b>Amounts Recognised in the Balance Sheet</b>	<b>March 31, 2013</b>
Projected benefit obligation at end of year	5168.71
Fair value of assets as at end of year	5169.64
Funded status asset / (liability)	0.93
Liability Recognised in Balance Sheet	- *

\* there is surplus in the fund, so the value is taken as zero.

	(₹ lakhs)
<b>Expense to be recognized in the statement of profit and loss of the company</b>	<b>March 31, 2013</b>
Company Contribution to the Provident Fund	292.19
<b>Total</b>	<b>292.19</b>

### 37. Segment Reporting

#### A. Business Segments

Based on the guiding principles laid down in Accounting Standard (AS) - 17 "Segment Reporting", the Company's business segments include:

- 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, chloromethanes, pharmaceuticals, Certified Emissions Reductions & 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, debtors, inventories and fixed 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.

## Information about Business Segments

### Segment Revenue, Results, Assets, Liabilities and Capital Employed

(₹ lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
<b>Segment Revenue</b>		
a) Technical Textiles Business (TTB)		
- External sales	166787.18	166373.37
- Inter-segment sales	299.64	920.42
- <b>Total</b>	<b>167086.82</b>	<b>167293.79</b>
b) Chemicals and Polymers Business (CPB)		
- External sales	103477.91	120339.49
- Inter-segment sales	19.67	71.61
- <b>Total</b>	<b>103497.58</b>	<b>120411.10</b>
c) Packaging Films Business (PFB)		
- External sales	61989.34	66008.97
- Inter-segment sales	88.07	13.61
- <b>Total</b>	<b>62077.41</b>	<b>66022.58</b>
<b>Total Segment revenue</b>	<b>332661.81</b>	<b>353727.47</b>
Less: Inter Segment revenue	407.38	1005.64
<b>Net Sales / Income from Operations</b>	<b>332254.43</b>	<b>352721.83</b>
Add: Unallocable Income	4375.34	3105.81
<b>Total Revenue</b>	<b>336629.77</b>	<b>355827.64</b>
<b>Segment Results</b>		
<b>(Profit / (Loss) before finance costs and tax from each segment)</b>		
a) Technical Textiles Business (TTB)	11236.94	10616.32
b) Chemicals and Polymers Business (CPB)	34653.10	59413.37
c) Packaging Films Business (PFB)	329.06	2450.25
<b>Total Segment results</b>	<b>46219.10</b>	<b>72479.94</b>
Less: i) Finance Costs	8464.83	10409.32
Less: ii) Other Unallocable expenses net of income	2495.00	5484.28
<b>Profit before tax</b>	<b>35259.27</b>	<b>56586.34</b>
Less: Provision for taxation	9408.57	17848.34
<b>Profit after tax</b>	<b>25850.70</b>	<b>38738.00</b>
<b>Capital Expenditure (other than capital advances)</b>		
a) Technical Textiles Business (TTB)	2942.32	9255.14
b) Chemicals and Polymers Business (CPB)	28524.83	40566.10
c) Packaging Films Business (PFB)	865.58	208.34
d) Unallocated	1835.09	2012.42
<b>Total</b>	<b>34167.82</b>	<b>52042.00</b>
<b>Depreciation</b>		
a) Technical Textiles Business (TTB)	9051.50	8468.12
b) Chemicals and Polymers Business (CPB)	5973.37	3893.50
c) Packaging Films Business (PFB)	2903.07	3226.29
d) Unallocated	499.65	580.16
<b>Total</b>	<b>18427.59</b>	<b>16168.07</b>

## Other information

(₹ lakhs)

	As at March 31, 2013	As at March 31, 2012
<b>Segment Assets</b>		
a) Technical Textiles Business (TTB)	146738.08	151175.13
b) Chemicals and Polymers Business (CPB)	143007.60	113216.87
c) Packaging Films Business (PFB)	53586.66	51496.04
<b>Total</b>	<b>343332.34</b>	<b>315888.04</b>
Add: Unallocable Assets	39639.89	40970.11
<b>Total Assets</b>	<b>382972.23</b>	<b>356858.15</b>
<b>Segment Liabilities</b>		
a) Technical Textiles Business (TTB)	28188.77	29666.12
b) Chemicals and Polymers Business (CPB)	7707.40	8536.91
c) Packaging Films Business (PFB)	13114.76	14322.89
<b>Total</b>	<b>49010.93</b>	<b>52525.92</b>
Add: Unallocable Liabilities	3708.10	4103.08
<b>Total Liabilities</b>	<b>52719.03</b>	<b>56629.00</b>
<b>Segment Capital Employed (Segment assets less segment liabilities)</b>		
a) Technical Textiles Business (TTB)	118549.31	121509.01
b) Chemicals and Polymers Business (CPB)	135300.20	104679.96
c) Packaging Films Business (PFB)	40471.90	37173.15
<b>Total</b>	<b>294321.41</b>	<b>263362.12</b>
Add : Unallocable assets less liabilities	35931.79	36867.03
<b>Total capital employed</b>	<b>330253.20</b>	<b>300229.15</b>

## B. Geographical Segments

(₹ lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
<b>Revenue</b>		
- Within India	227775.77	233409.10
- Outside India	108854.00	122418.54
<b>Total Revenue</b>	<b>336629.77</b>	<b>355827.64</b>

## 38. Foreign Currency Exposure

SRF has three diverse businesses with transactions both in the nature of imports and exports. This provides a natural hedge against the exchange rate fluctuations. As per the board mandated policy, hedging is done the basis of net exposure. Further, with respect to volatility in interest rates, certain hedging transactions are entered into by the company. Various kind of instruments are used for hedging which are mandated as per regulatory requirements and board guidelines.

The details of category-wise quantitative data about derivative instruments as at March 31, 2013 are as under:

Nature of Derivative	No. of Deals As at		Purpose As at		Foreign Currency (In Millions) As at		Amount (₹ lakhs) As at	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
EUR / INR Op- tion Strips	-	7	-	Hedging	-	17.25	-	11724.83
Interest Rate Swap	3	3	Conversion of Floating LIBOR to Fixed Rate	Conversion of Floating LIBOR to Fixed Rate	-	-	24426.00	22891.50
EUR / INR Sell Forwards	-	9	-	Forward Sell Contracts	-	19.75	-	13424.08

Foreign Currency Exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Foreign Currency (in millions)	Amount ₹lakhs	Foreign Currency (in millions)	Amount ₹lakhs
Term Loans – USD	84.13	45665.91	70.98	36108.42
PCFC - USD	26.50	14384.20	21.50	10937.05
Buyer's Credits - USD	18.02	9778.91	34.60	17602.34
Loan given including interest- USD	1.57	851.31	1.53	775.82

### 39. Operating Leases

The Company has entered into operating lease agreements for various premises taken for accommodation of Company's officers / directors and various offices of the Company. These arrangements are both cancellable and non-cancellable in nature and range between two to ten years. As at March 31, 2013, the future minimum lease payments under non-cancellable operating leases as set out below: -

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Total of future minimum lease payments under non-cancellable operating leases for each of the following periods		
- Not later than one year	724.83	818.33
- Later than one year and not later than five years	2438.27	2568.69
- Later than five years	353.33	959.03
Lease rent recognized in the statement of profit and loss.	1163.27	991.05

### 40. Installed Capacity Per Annum

	UNIT	As at March 31, 2013	As at March 31, 2012
Synthetic Filament Yarn including Industrial Yarn / Tyre Cord / Twine	MT	68040	68040
Nylon Tyre Cord Fabric/Industrial Yarn Fabric / Polyester Tyre Cord Fabric	MT	71384	71384
Laminated Fabric	Lakh SQM	900	480
Nylon / PBT / PC Compounding Chips	MT	14500	14500
Fluorochemicals & Allied Products	MT	57500	25000
HFC 134a	MT	5000	5000
Hydrofluoric Acid (Anhydrous)	MT	12000	12000
Gypsum (By product)	MT	44550	44550
Hydrochloric Acid (By Product)	MT	77220	77220
Chloromethanes	MT	40000	40000
Fluorospecialities Chemicals	MT	12005	1800
Packaging Films	MT	59500	59500



#### 41. Actual Production

	UNIT	Year ended March 31, 2013	Year ended March 31, 2012
Synthetic Filament Yarn including Industrial Yarn/Tyre Cord @/Twine @@	MT	11540.32	11455.43
Nylon Tyre Cord Fabric/Industrial Yarn Fabric / Polyester Tyre Cord Fabric*	MT	49400.78	50225.76
Laminated Fabric	Lakh SQM	559.32	432.05
Nylon / PBT / PC Compounding Chips @@	MT	9042.40	8634.60
Fluorochemicals & Allied Products @	MT	11632.90	11311.67
HFC 134a @	MT	2852.70	3725.67
Gypsum (By Product)	MT	36452.30	37514.30
Hydrochloric Acid (By Product)	MT	69659.22	73023.20
Chloromethanes @	MT	24174.42	21074.49
Fluorospecialities Chemicals @	MT	2379.12	1501.77
Packaging Films	MT	54003.89	59816.66

Installed capacity is as certified by management

@ Excludes captive consumption

\* Includes Nil (Previous Year – 1068.98 MT) of nylon tyre cord fabric / industrial yarn fabric produced outside the Company by the Company's conversion contractors

@@ Includes 15.20 MT (Previous Year – 106.55 MT) of nylon compounding chips produced outside the Company by the Company's conversion contractors.

#### 42. Value of Imports on CIF Basis

(₹ lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
Raw Materials	84905.62	64310.04
Stores and Spares	1076.96	2148.27
Capital Goods	2790.59	4035.84

#### 43. Expenditure in Foreign Currency

(₹ lakhs)

	Year ended March 31, 2013	Year ended March 31, 2012
Interest	1532.08	1440.66
Technical know-how and Technician's fees	424.18	57.09
Travel and Conveyance	156.11	157.56
Selling Commission	482.02	548.71
Lease rental	145.53	126.15
Legal and Professional	342.88	854.56
Sales Promotion / Market Research	0.55	15.97
Investments Provided / Written Off	-	9.08
Purchase of raw material in foreign currency*	13685.45	19387.32
Others	488.84	235.32

\* Pertains only with respect to purchases in foreign currency by an SEZ unit from Domestic Tariff Area

#### 44. Value of Imported/Indigenous Raw Materials, Stores and Spares Consumed

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	%	Amount (₹ lakhs)	%	Amount (₹ lakhs)
Raw Materials				
Imported	47.66	91211.72	39.34	79514.38
Indigenous	52.34	100161.83	60.66	122601.90
	<b>100.00</b>	<b>191373.55</b>	<b>100.00</b>	<b>202116.28</b>
Stores and Spares				
Imported	11.47	824.67	14.14	696.78
Indigenous	88.53	6367.84	85.86	4229.30
	<b>100.00</b>	<b>7192.51</b>	<b>100.00</b>	<b>4926.08</b>

#### 45. Earnings in Foreign Exchange

	Year ended March 31, 2013	Year ended March 31, 2012
Export of goods calculated on FOB Value	108354.60	122036.95
Interest	42.86	12.64
Profit on sale of investment in subsidiary / others	-	42.84
Service fee including recovery of actual expenses incurred	456.54	326.11

46. Pursuant to the adoption of Guidance Note on Accounting for Self-Generated Certified Emission Reductions (CER) effective April 1, 2012, the stock of CER as on April 1, 2012 has been recognized at cost amounting to ₹135.22 lakhs, net of tax of ₹43.87 lakhs, by adjusting 'Surplus in statement of profit and loss' by ₹91.35 lakhs.
47. 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, 2013 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.
48. Previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Arun Bharat Ram**  
Chairman

**Ashish Bharat Ram**  
Managing Director

**Kartikeya Bharat Ram**  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

**Vinayak Chatterjee**  
Director

**Rajendra Prasad**  
President & Chief Financial Officer

**Anoop K Joshi**  
Sr Vice President & Company Secretary

# Independent Auditors' Report

## TO THE BOARD OF DIRECTORS OF SRF LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SRF LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 the reports of the other auditors on the financial statements/ financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matter

We did not audit the financial statements/financial information of subsidiaries viz., SRF Overseas Limited, SRF Industries (Thailand) Limited, SRF Industex Belting (Pty) Limited, SRF Flexipak (South Africa) (Pty) Limited, SRF Transnational Holdings Limited, SRF Properties Limited, SRF Fluor Private Limited, SRF Holiday Home Limited, SRF Global BV, SRF Energy Limited and SRF Fluorochemicals Limited whose financial statements reflect total assets (net) of ₹84358.02 lakhs as at March 31, 2013, total revenues of ₹56984.11 lakhs and net cash inflows amounting to ₹10313.88 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

### Manjula Banerji

Partner  
(Membership No. 086423)  
**GURGAON, MAY 3, 2013**

# Consolidated Balance Sheet

as at March 31, 2013

		(₹ lakhs)	
Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	5843.56	5843.56
Reserves and surplus	3	191049.16	179309.52
		196892.72	185153.08
<b>Minority interest</b>		-	0.61
<b>Non-current liabilities</b>			
Long-term borrowings	4	109614.23	71709.22
Deferred tax liabilities	5	26480.17	22691.84
Long-term provisions	6	1702.77	1055.59
		137797.17	95456.65
<b>Current liabilities</b>			
Short-term borrowings	4	24254.85	37358.06
Trade payables	7	51817.97	53160.12
Other current liabilities	8	47113.41	25617.62
Short-term provisions	9	1028.67	1473.09
		124214.90	117608.89
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>458904.79</b>	<b>398219.23</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		231271.29	204823.62
Intangible assets		2415.60	2678.06
Capital work-in-progress		56537.81	41747.60
Goodwill on consolidation		296.40	296.40
Non-current investments	11	976.53	630.13
Deferred tax assets	12	1451.36	1414.74
Long-term loans and advances	13	15006.30	12448.00
Other non-current assets	14	832.94	323.17
		308788.23	264361.72
<b>Current assets</b>			
Current investments	11	14146.33	13421.23
Inventories	15	56322.55	48765.79
Trade receivables	16	50868.93	48373.18
Cash and cash equivalents	17	19097.46	14007.84
Short-term loans and advances	18	9462.71	9138.91
Other current assets	19	218.58	150.56
		150116.56	133857.51
<b>TOTAL ASSETS</b>		<b>458904.79</b>	<b>398219.23</b>
<b>Accompanying notes forming part of the consolidated financial statements</b>	1 to 39		

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

For and on behalf of the Board of Directors

Manjula Banerji  
Partner

Arun Bharat Ram  
Chairman

Ashish Bharat Ram  
Managing Director

Kartikeya Bharat Ram  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

Vinayak Chatterjee  
Director

Rajendra Prasad  
President & Chief Financial Officer

Anoop K Joshi  
Sr Vice President & Company Secretary

# Consolidated Statement of Profit & Loss

for the year ended March 31, 2013

		(₹ lakhs)	
Particulars	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
<b>Revenue from Operations</b>			
Sale of products (gross)		405174.63	424132.85
Less : Excise duty		28281.33	26047.70
Sale of products (net)		376893.30	398085.15
Other operating revenues	20	1401.21	2015.20
		378294.51	400100.35
Other income	21	4199.87	3115.31
<b>TOTAL REVENUE</b>		<b>382494.38</b>	<b>403215.66</b>
<b>Expenses</b>			
Cost of materials consumed	22	217089.51	230637.46
Purchases of traded goods	23	901.70	640.16
(Increase) / Decrease in inventories of finished goods, stock-in-process and traded goods	24	(2362.72)	(71.29)
Employee benefits expenses	25	26642.80	22113.19
Finance costs	26	9980.30	11716.51
Depreciation and amortization expenses	27	20887.53	18368.32
Other expenses	28	74597.53	63638.58
<b>TOTAL EXPENSES</b>		<b>347736.65</b>	<b>347042.93</b>
<b>Profit before tax</b>		<b>34757.73</b>	<b>56172.73</b>
Tax expense			
Current tax		7117.23	16422.60
Current tax relating to prior years		(1479.97)	447.45
Deferred tax charge		3825.31	1420.89
		<b>9462.57</b>	<b>18290.94</b>
<b>Profit after tax</b>		<b>25295.16</b>	<b>37881.79</b>
<b>Earnings per share</b>	33		
Basic (₹)		44.05	64.10
Diluted (₹)		44.05	64.10
<b>Accompanying notes forming part of the consolidated financial statements</b>	1 to 39		

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

For and on behalf of the Board of Directors

**Manjula Banerji**  
Partner

**Arun Bharat Ram**  
Chairman

**Ashish Bharat Ram**  
Managing Director

**Kartikeya Bharat Ram**  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

**Vinayak Chatterjee**  
Director

**Rajendra Prasad**  
President & Chief Financial Officer

**Anoop K Joshi**  
Sr Vice President & Company Secretary

## Consolidated Cash Flow Statement

for the year ended 31 March 2013

Particulars	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	34757.73	56172.73
Adjustments for		
Depreciation and amortisation	26050.92	24043.04
Impairment of fixed assets	718.08	-
Withdrawal from Revaluation Reserve	(5163.39)	(5674.72)
Finance Costs	9980.30	11716.51
Net unrealised exchange (gain) / loss	162.34	(568.66)
Provision for doubtful trade and other receivables, loans and advances	36.90	25.03
Assets Written Off	168.73	40.09
Loss / (Profit) on sale of fixed assets	(2314.97)	(481.36)
Dividend on current non-trade investment	(653.16)	(1350.96)
Interest Income	(263.26)	(218.48)
Loss / (Profit) on sale of long term investments	-	(10.00)
Loss / (Profit) on sale of current investments	(438.82)	-
<b>Operating Profit before working capital changes</b>	<b>63041.40</b>	<b>83693.22</b>
<b>Changes in Working Capital:</b>		
Adjustments for (increase) / decrease in operating assets		
Trade receivables	(2532.65)	784.92
Inventories	(7437.71)	1620.62
Short-term loans and advances	(320.07)	3621.92
Long-term loans and advances	(1446.18)	(2381.64)
Other current assets	(68.02)	65.63
Other non-current assets	(509.77)	(187.48)
Adjustments for increase / (decrease) in operating liabilities		
Trade Payables	(1342.15)	(3119.48)
Other current liabilities	(1633.21)	(1132.55)
Short-term provisions	(194.75)	92.92
Long-term provisions	647.18	(1.34)
<b>Cash Generated from operations</b>	<b>48593.57</b>	<b>83056.74</b>
Net income tax (paid) / refund	(6324.03)	(16578.03)
<b>Net Cash from operating activities (A)</b>	<b>42269.54</b>	<b>66478.71</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(70417.81)	(57126.34)
Proceeds from sale of fixed assets	2974.90	860.58
Bank balances not considered as cash and cash equivalents	(48.45)	(173.57)
Current investments not considered as cash and cash equivalents		
- Purchased	(85249.48)	(105197.66)
- Proceeds from sales	84963.20	102811.50
Purchase of long term investments	(503.90)	(50.00)
Proceeds from sale of long term non-trade investments	-	10.00
Proceeds from sale of long term trade investments	157.50	-



(₹ lakhs)		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Amount received pursuant of Montreal Phaseout Programme	-	892.37
Interest income	263.26	252.37
Dividend on current non-trade investments	653.16	1350.96
<b>Net Cash used in Investing Activities (B)</b>	<b>(67207.62)</b>	<b>(56369.79)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buy back of equity shares	-	(8999.28)
Proceeds from issue of shares to minority interest	-	0.61
Proceeds from long term borrowings	80124.04	43100.61
Repayment of long term borrowings	(21553.32)	(42937.28)
Net Proceeds / (repayment) from short term borrowings	(13103.21)	23195.61
Dividends on equity share capital paid	(5667.84)	(8087.01)
Corporate dividend tax paid	(931.50)	(1317.69)
Repayment of fixed deposits	(1.55)	(8.69)
Finance costs paid	(8887.37)	(10276.65)
<b>Net cash used in / from financing activities ( C)</b>	<b>29979.25</b>	<b>(5329.77)</b>
<b>Net increase in Cash and Cash Equivalents D=(A+B+C)</b>	<b>5041.17</b>	<b>4779.15</b>
<b>Cash and Cash equivalents at the beginning of the year ( E)</b>	<b>12995.77</b>	<b>8186.23</b>
Less : Exchange fluctuation loss / (gain) on foreign currency bank balances (F)	-	(30.39)
<b>Cash and Cash equivalents at the close of the year G =(D+E-F)</b>	<b>18036.94</b>	<b>12995.77</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet	19097.46	14007.84
Less: Bank balances not considered as Cash and cash equivalents	(1060.52)	(1012.07)
<b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)</b>	<b>18036.94</b>	<b>12995.77</b>
<b>Cash and cash equivalents at the end of the year comprises:-</b>		
(a) Cash on hand	42.39	41.64
(b) Cheques, drafts on hand	-	12.76
(c) Balances with banks		
(i) In current accounts	17250.05	9603.98
(ii) In Exchange Earners' Foreign Currency (EEFC) accounts	-	1,301.85
(iii) In deposit accounts	744.50	2035.54
<b>Cash and cash equivalents as per AS - 3 - Cash Flow Statements</b>	<b>18036.94</b>	<b>12995.77</b>

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

For and on behalf of the Board of Directors

**Manjula Banerji**  
Partner

**Arun Bharat Ram**  
Chairman

**Ashish Bharat Ram**  
Managing Director

**Kartikeya Bharat Ram**  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

**Vinayak Chatterjee**  
Director

**Rajendra Prasad**  
President & Chief Financial Officer

**Anoop K Joshi**  
Sr Vice President & Company Secretary

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2013

## 1. Significant Accounting Policies

- (i) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" notified under Rule 3 of the Companies (Accounting Standards) Rules, 2006.

a) Principles of consolidation:

The consolidated financial statements relate to SRF Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions resulting in unrealized profit or losses.
- The consolidated financial statements have been prepared using uniform accounting policies

for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

- The excess of cost to the company of its investment in a subsidiary company over the Company's portion of the equity of the subsidiary at the date on which investment in subsidiary is made is recognized in the financial statements as goodwill.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

- b) 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, 2013	Proportion of ownership as at March 31, 2012
<b>Indian Subsidiaries</b>			
SRF Transnational Holdings Limited	India	100%	100%
SRF Properties Limited	India	100%	100%
SRF Holiday Home Limited	India	100%	100%
SRF Energy Limited	India	100%	100%
SRF Fluorochemicals Limited	India	100%	100%
<b>Foreign Subsidiaries</b>			
SRF Fluor Private Limited	Mauritius	100%	100%
SRF Global BV	Netherlands	100%	100%
SRF Overseas Limited ('SRFO') (100% subsidiary of SRF Global BV)	British Virgin Islands	100%	100%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Nitol Bangladesh Limited (80% subsidiary of SRF Global BV)	Bangladesh	-	80%

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.

Investment in SRF Nitol Bangladesh Limited has been written off during the year and has not been considered for the purposes of consolidation.

## (ii) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

## (iii) FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation except for certain fixed assets which are revalued and are therefore, stated at their revalued book values. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets.

The basis for revaluation is current cost of depreciated assets at the time of revaluation. If the revaluation shows an increase in the value of a category of assets, the same is added to the historical value net of any decline in value of any asset of that category; any such decrease is expensed. The decline in value of any individual asset in a category is charged to revenue over the remaining useful life of that asset and corresponding adjustment made on the amount withdrawn from the revaluation reserve.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

## (iv) DEPRECIATION

a. Depreciation on all fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 or at rates arrived at on the

basis of the balance useful lives of the assets based on technical evaluation / revaluation of the related assets, whichever is higher, except in case of the following assets where depreciation is provided at the rates indicated against each assets: -

Vehicles	- 21%
Data Processing Equipments	- 31.67%
Mobile Phones	- 95%

- b. Depreciation is calculated on a pro rata basis except that, assets costing upto ₹5,000 each are fully depreciated in the year of purchase.
- c. On assets sold, discarded, etc. during the year, depreciation is provided upto the date of sale / discard.
- d. In respect of revalued assets, a transfer is made from the revaluation reserve to the statement of profit and loss for the sum of the differences as below: -
  - the difference between the amounts of depreciation on revalued value at rates based on useful life prescribed by valuers and on the historical cost at rates prescribed in Schedule XIV, if the former is higher.
  - where assets are discarded / disposed off, the difference between the write down value as per the revalued value and historical cost.
- e. No write-off is made in respect of leasehold land as the lease is a perpetual lease.
- f. Depreciation (amortization) on intangibles is provided on straight line method as follows:
  - Trademark and technical knowhow over a period of ten years
  - Software over a period of three years
  - Goodwill, other than goodwill on consolidation, over a period of ten years

## (v) FOREIGN CURRENCY TRANSACTIONS

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

All monetary items are re-stated at the exchange rate prevailing as at the date of the balance sheet and the loss or gain is taken to the statement of profit and loss as exchange fluctuation.

The Company uses foreign exchange forward and option contracts to hedge its exposure to movements in foreign exchange rates relating to certain firm commitments and highly probable forecast transactions. Effective April 1, 2007, the Company designates such contracts in a cash flow hedge relationship by applying the principles set out in Accounting Standard (AS) – 30 - "Financial Instruments: Recognition and Measurement".

Forward and option contracts are fair valued at each reporting date. The resultant gain or loss from these contracts that are designated and effective as hedges of future cash flows are recognised directly in Cash Flow Hedge Reserve under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in statement of profit and loss.

Amount accumulated in Cash Flow Hedge Reserve are reclassified to statement of profit and loss in the same periods during which the forecasted transaction affects the profit and loss.

Hedge Accounting is discontinued when the hedging instrument expires, or is sold or terminated or exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss is immediately transferred from the Cash Flow Hedge Reserve to the statement of profit and loss.

Contracts that are not designated as hedges of future cash flows are fair valued at each reporting date and the resultant gain or loss is recognised in the statement of profit and loss.

#### (vi) RESEARCH AND DEVELOPMENT

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 capitalized 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.

Capital expenditure on research and development includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use and is treated in the same manner as expenditure on other fixed assets and depreciated as per Company policy.

#### (vii) INVENTORIES

Stores and spares are valued at cost or under. Stock in trade is valued at cost or net realizable value, whichever is lower. The bases of determining the cost for various categories of inventory are as follows:

Stores, spares and raw materials	- Weighted average rate
Stock in trade	
Process stocks and finished goods	- Direct cost plus appropriate share of overheads and excise duty, wherever applicable
By products	- At estimated realizable value

#### (viii) INVESTMENTS

Long term investments are valued at cost unless there is a decline in value other than temporary. Current investments are stated at lower of cost or fair value.

#### (ix) EMPLOYEE BENEFITS

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 recognized in the statement of profit and loss.

Provision for gratuity, compensated absences, provident fund for certain category of employees administered through a recognized provident fund trust and long term retention pay are determined on an actuarial basis at the end of the year and charged to revenue each year.

The employee benefits of employees of the subsidiary companies incorporated outside India are accounted for as per the requirements of their local laws.

#### (x) BORROWING COSTS

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized 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.

#### (xi) PROVISIONS AND CONTINGENT LIABILITIES

The Company recognizes a provision when there is a present obligation 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. 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.

#### (xii) REVENUE RECOGNITION

Sale of goods is recognized, net of returns and trade discounts on the transfer of significant risks and rewards of ownership to the buyer which generally coincides with the dispatch of goods to customers. Gross sales are inclusive of excise duty and net of value added tax / sales tax.

Sale of Certified Emission Reductions (CER's) is recognized as income on the delivery of the CER's to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

#### (xiii) RESERVES

- Revaluation reserve represents the difference between the revalued amount of the assets and the written down value of the assets on the date of revaluation net of withdrawals there from.
- Capital receipts are credited to Capital reserve.
- Cash flow hedge reserve represents the gain or loss

arising out of adjusting the hedging instruments to mark to market net of applicable deferred income taxes.

#### (xiv) TAXATION

- Current taxes are determined based on the respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.
- Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

## 2. Share Capital

### a) Details of share capital

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>AUTHORISED</b>		
12,00,00,000 (Previous Year - 12,00,00,000) Equity shares of ₹10 each	12000.00	12000.00
10,00,000 (Previous Year - 10,00,000) Preference Shares of ₹100 each	1000.00	1000.00
12,00,000 (Previous Year - 12,00,000) Cumulative Convertible Preference Shares of ₹50 each	600.00	600.00
2,00,00,000 (Previous Year - 2,00,00,000) Cumulative Preference Shares of ₹100 each	20000.00	20000.00
	<b>33600.00</b>	<b>33600.00</b>
<b>ISSUED</b>		
6,14,77,255 (Previous Year - 6,14,77,255) Equity Shares of ₹10 each	<b>6147.73</b>	<b>6147.73</b>
<b>SUBSCRIBED AND PAID UP</b>		
5,74,20,500 (Previous Year - 5,74,20,500) Equity Shares of ₹10 each fully paid up	5742.05	5742.05
Add: Forfeited shares - Amount originally paid up	101.51	101.51
	<b>5843.56</b>	<b>5843.56</b>

\* 2,90,43,134 equity shares (Previous year - 2,86,06,962 equity shares) held by KAMA Holdings Limited, the holding company.

**b) Reconciliation of equity shares**

	Number of shares	Value (₹ lakhs)
As at April 1, 2011	60503580	6050.36
Less: Shares bought back during the year	3083080	308.31
As at March 31, 2012	57420500	5742.05
Add: Movement during the year	-	-
As at March 31, 2013	<b>57420500</b>	<b>5742.05</b>

**c) Shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at March 31, 2013	As at March 31, 2012
<b>KAMA Holdings Limited</b>		
No. of shares	29043134	28606962
Percentage of shareholding	50.58%	49.82%

d) The Company has bought back 1,04,64,505 equity shares in aggregate in the last five financial years.

**e) 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, 2013, the amount of interim dividend recognized as distributions to equity shareholders was ₹10 per share (Previous Year - ₹14 per share).

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

**3. Reserves and Surplus**

	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
Securities premium account	-	-
Capital reserve	22979.64	22979.64
Revaluation reserve	2961.36	10173.41
Capital redemption reserve	1048.08	1048.08
Debenture redemption reserve	15000.00	7500.00
Special economic zone reinvestment allowance reserve	200.21	550.00
Cash flow hedge reserve	(367.09)	(220.54)
Foreign currency translation reserve	1698.34	1313.06
General reserve	35052.93	32108.07
Surplus in statement of profit and loss	112475.69	103857.80
<b>Total Reserves and Surplus</b>	<b>191049.16</b>	<b>179309.52</b>



## a) Securities premium account

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	-	5527.11
Less: Utilization towards premium paid on buy back of shares	-	5527.11
<b>As at the end of the year</b>	<b>-</b>	<b>-</b>

## b) Capital reserve

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	22979.64	22086.73
Add: Amount received pursuant to Montreal Protocol Phaseout Programme of Refrigerant Gases	-	892.37
Add: Amount transferred from share capital suspense	-	0.54
<b>As at the end of the year</b>	<b>22979.64</b>	<b>22979.64</b>

## c) Revaluation reserve

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	10173.41	15848.19
Less: Transferred to statement of profit and loss on account of depreciation	5163.39	5674.72
Less: Transferred to statement of profit and loss on account of deletion of assets	2564.03	0.06
Add: Transferred from Foreign currency translation reserve	515.37	-
<b>As at the end of the year</b>	<b>2961.36</b>	<b>10173.41</b>

## d) Capital redemption reserve

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	1048.08	739.77
Add: Transferred from general reserve on account of buyback	-	308.31
<b>As at the end of the year</b>	<b>1048.08</b>	<b>1048.08</b>

## e) Debenture redemption reserve

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	7500.00	9075.00
Add: Transferred from surplus in statement of profit and loss	7500.00	7500.00
Less: Transferred to general reserve	-	9075.00
<b>As at the end of the year</b>	<b>15000.00</b>	<b>7500.00</b>

## f) Special economic zone reinvestment allowance reserve

	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	550.00	-
Add: Transferred from surplus in statement of profit and loss	-	550.00
Less: Transferred to general reserve	349.79	-
<b>As at the end of the year</b>	<b>200.21</b>	<b>550.00</b>

**g) Cash flow hedge reserve**

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	(220.54)	261.63
Add: Gain / (loss) on mark to market of foreign currency derivatives	(146.55)	(482.17)
<b>As at the end of the year *</b>	<b>(367.09)</b>	<b>(220.54)</b>

\* net of deferred tax assets of ₹179.19 lakhs (Previous year - ₹105.59 lakhs)

**h) Foreign Currency Translation Reserve**

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	1313.06	135.24
Add: Effect of foreign exchange rate variations during the year	900.65	1177.82
Less: Transferred to revaluation reserve	515.37	-
<b>As at the end of the year</b>	<b>1698.34</b>	<b>1313.06</b>

**i) General reserve**

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	32108.07	22495.24
Add: Transferred from surplus in statement of profit and loss	2595.07	4010.00
Add: Transferred from debenture redemption reserve	-	9075.00
Less: Utilization towards premium paid on buyback of shares	-	3163.86
Less: Transferred to capital redemption reserve	-	308.31
Add: Transferred from Special Economic Zone reinvestment allowance reserve	349.79	-
<b>As at the end of the year</b>	<b>35052.93</b>	<b>32108.07</b>

**j) Surplus in statement of profit and loss**

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
As at the beginning of the year	103857.80	87476.32
Add: Recognition of stock of Certified Emission Reductions as at April 1, 2012*	91.35	-
Add: Profit after tax for the year	25295.16	37881.79
Less: Interim dividend	5742.05	8122.62
Less: Corporate dividend tax	931.50	1317.69
Less: Transfer to general reserve	2595.07	4010.00
Less: Transfer to debenture redemption reserve	7500.00	7500.00
Less: Transfer to special economic zone reinvestment allowance reserve	-	550.00
<b>As at the end of the year</b>	<b>112475.69</b>	<b>103857.80</b>

\* Refer note 37

## 4. Borrowings

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term loans		
- from banks {1}	66909.03	60098.88
- from others {2}	30239.89	210.94
	97148.92	60309.82
Less: Current maturities of long term borrowings (Refer Note 8)		
Term loans		
- from banks	(10675.34)	(13774.60)
- from others	(10856.00)	-
<b>Net secured long term borrowings (a)</b>	<b>75617.58</b>	<b>46535.22</b>
<b>Unsecured</b>		
1500 (Previous year - 1500), 10.60%, listed, unsecured Redeemable Non-convertible debentures of ₹10 lakhs each	15000.00	15000.00
Term loans from banks	33996.65	10174.00
	48996.65	25174.00
Less: Current maturities of long term borrowings (refer note 8)		
1500, 10.60%, listed, unsecured Redeemable Non-convertible debentures of ₹10 lakhs each	(15000.00)	-
<b>Net unsecured long term borrowings (b)</b>	<b>33996.65</b>	<b>25174.00</b>
<b>Net long term borrowings (c=a+b)</b>	<b>109614.23</b>	<b>71709.22</b>
<b>SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Cash credits from banks {3(i), 3(iii) & 3(iv)}	91.74	1459.52
Term loans from banks {3(ii) & 3(v)}	6249.76	10021.88
	6341.50	11481.40
<b>Unsecured</b>		
Term loans		
- from banks	17913.35	25688.44
- from others	-	188.22
	17913.35	25876.66
<b>Total short term borrowings (d)</b>	<b>24254.85</b>	<b>37358.06</b>
<b>Total borrowings (e=c+d)</b>	<b>133869.08</b>	<b>109067.28</b>

\* Includes Nil (Previous Year - Nil) for Commercial Paper issued by the Company. The Maximum amount due during the year is ₹10000 lakhs (Previous Year - Nil)

**Details of security of the above secured loans:**

Loan	As at 31.03.2013 (₹lakhs)	As at 31.03.2012 (₹lakhs)	Security
1. (i) Term loan from banks	55027.77	54554.50	<p>Term loans from banks are secured by:-</p> <p>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.</p> <p>Out of the loans as at 1(i), term loans aggregating to ₹44152.77 lakhs (Previous Year – ₹30350.50 lakhs) are additionally secured by hypothecation of Company's moveable properties both present and future, situated at Pantnagar in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans aggregating to ₹10000.00 lakhs (Previous Year – 22891.50 lakhs) are to be further 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, Kashipur and Pantnagar in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans aggregating to ₹10000.00 lakhs (Previous Year – Nil) are to be further secured by hypothecation of Company's moveable properties, both present and future, situated at Dahej in the State of Gujarat.</p> <p>b) Equitable Mortgage of Company's immovable 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.</p> <p>Term Loans aggregating to ₹1688.26 lakhs (Previous Year – ₹3600.77 lakhs) are additionally secured by equitable mortgage of Company's immovable properties, both present and future, situated at Indore in the State of Madhya Pradesh.</p> <p>Term Loans aggregating to ₹813.26 lakhs (Previous Year – 2288.27 lakhs) is additionally secured by equitable mortgage of Company's immovable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.</p> <p>Term Loan of ₹41627.77 lakhs (Previous Year – 23320.83 lakhs) is additionally secured by equitable mortgage of Company's immovable properties, both present and future, situated at Malanpur (save and except superstructure) in the State of Madhya Pradesh.</p> <p>Term Loans of ₹40814.51 lakhs (Previous Year – ₹21032.56 lakhs) are additionally secured by equitable mortgage of Company's immovable properties, both present and future, situated at Manali in the State of Tamil Nadu.</p> <p>Out of the loans as at 1(i), the term loans aggregating to:</p> <p>a) ₹32443.17 lakhs (Previous Year – ₹6242.12 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.</p> <p>b) ₹31568.17 lakhs (Previous Year – ₹4929.62 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Indore in the State of Madhya Pradesh.</p> <p>c) ₹3400.00 lakhs (Previous Year – ₹4600.00 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).</p> <p>d) ₹4213.26 lakhs (Previous Year – ₹6888.27 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Manali in the State of Tamil Nadu.</p>

Loan	As at 31.03.2013 (₹lakhs)	As at 31.03.2012 (₹lakhs)	Security
			<p>e) ₹33256.43 lakhs (Previous Year – ₹8530.39 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Pantnagar in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans of ₹10000 lakhs (Previous Year – Nil) are to be further secured by equitable mortgage of Company's immovable 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 and Kashipur in the State of Uttarakhand.</p> <p>Out of the loans as at 1(i), term loans of Nil (Previous Year – ₹26633.67 lakhs) are to be further secured by equitable mortgage of Company's immovable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi (Freehold and Leasehold) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur in the State of Madhya Pradesh and Kashipur and Pantnagar in the State of Uttarakhand.</p>
(ii) Term loans from banks	10856.00	425.04	<p>Term loans from banks aggregating to Rs. 10856.00 lakhs (Previous Year - Nil) are secured by hypothecation of Company's moveable properties, both present and future, situated at Dahej in the State of Gujarat.</p> <p>Out of the loans as at 1(ii) above, term loans from banks aggregating to Nil (Previous Year – Rs. 425.04 lakhs) 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, Kashipur and Pantnagar in the state of Uttarakhand.</p>
(iii) Term Loan from banks	1025.26	5119.34	Bank loan in SRF Industries (Thailand) Limited of THB 55.30 million (Previous Year – THB 309.70 million) from Bank of Ayudhya, Thailand is secured by mortgage on the land, building and machineries and pledge of Company's leasehold right.
2. (i) Term Loan from others	19654.50	-	Term loan in SRF Industries (Thailand) Limited of USD 36 million (Previous Year – USD Nil) from International Finance Corporation, Washington is secured by mortgage on the land, building and machineries and pledge of Company's leasehold right.
(ii) Term Loan from Others	10585.39	-	Term loan in SRF Flexipak (South Africa) (Pty) Ltd. of USD 19.50 million (Previous Year- USD Nil) from International Financial Corporation, Washington is secured by continuing covering mortgage bond over the land and general notarial bond over the moveables of the Company.
(iii) Term Loan from Others	-	210.94	Term loan in SRF Flexipak (South Africa) (Pty) Limited of Rands Nil (Previous year- Rands 3.18 million) from Three Diamond Trading 549 (Pty) Limited is secured by a bond to be registered over the land. The loan is interest free and will offset against the sub division of the portion of the property totaling 1.5884 hectares.
3. (i) Cash credit / working capital demand loans	-	903.58	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	6249.76	9464.05	

Loan	As at 31.03.2013 (₹lakhs)	As at 31.03.2012 (₹lakhs)	Security
(iii) Cash credit / working capital demand loans	60.17	453.81	Bank loans and overdrafts in SRF Overseas Limited are secured by the assignment of insurance policies on inventories on pari-passu basis and trade receivables are subject to a floating charge for working capital facilities granted to the Company on pari-passu basis.
(iv) Cash credit / working capital demand loans	31.57	102.13	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.
(v) Trust receipt payable	-	557.83	
<b>Total</b>	<b>103490.42</b>	<b>71791.22</b>	

In respect of SRF Limited, the hypothecation and equitable mortgage rank pari-passu between term loans from banks / others (save and except hypothecation of moveable assets at Dahej in the State of Gujarat in favour of a bank as at 1 (ii) above).

## TERMS OF REPAYMENT OF LOANS

### LONG TERM BORROWINGS

Loan Category	Frequency of principal repayments	Interest rate	Amount Repayable (₹ lakhs)			
			Up to March 31, 2014	Up to March 31, 2015	Up to March 31, 2016	From 2016 to 2020
1500 (Previous Year – 1500), 10.60%, Listed, Unsecured Redeemable Non-Convertible Debentures of ₹10 lakhs each	Redeemable at face value in one instalment at the end of second year	10.60%	15000.00	-	-	-
Rupee term loans	Repayment in full at the end of the tenor of the loan	10.25%	-	10000.00	-	-
	Half yearly payments	10.50% to 12.15%	2418.82	2793.04	2155.54	3289.11
	Quarterly Payments	11.55%	990.00	-	-	-
Foreign currency term loans	Half yearly instalments	Libor plus interest rate spread ranging from 2.10 % to 2.70%	2714.00	2714.00	12404.56	42261.33
	Quarterly instalments	Libor plus interest rate spread of 2.00%	813.26	-	-	-
	Monthly instalment	Minimum Lending Rate ranging from 7.375% to 7.50%	1025.26	-	-	-
	One instalment a year	Libor plus interest rate spread ranging from 1.00% to 2.50%	13570.00	5428.00	17712.65	10856.00
<b>Total</b>			<b>36531.34</b>	<b>20935.04</b>	<b>32272.75</b>	<b>56406.44</b>

### SHORT TERM BORROWINGS

Short term borrowings are payable in one installment within one year with interest rates LIBOR plus interest rate spread ranging from 0.70% to 3.25%



## 5. Deferred Tax Liabilities

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>Deferred tax liabilities</b>		
Difference between book and tax depreciation	24970.99	21090.32
Research and development expenditure and others	1509.18	1601.52
<b>Total Deferred tax liabilities</b>	<b>26480.17</b>	<b>22691.84</b>

## 6. Long Term Provisions

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Employee benefits	1702.77	1055.59
<b>Total long term provisions</b>	<b>1702.77</b>	<b>1055.59</b>

## 7. Trade Payables

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Acceptances	27264.04	28934.51
Trade payables		
- Outstanding dues to Micro and Small enterprises	42.98	163.16
- Outstanding dues to parties other than Micro and Small enterprises	24510.95	24062.45
<b>Total Trade Payables</b>	<b>51817.97</b>	<b>53160.12</b>

## 8. Other Current Liabilities

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Current maturities of long term borrowings	36531.34	13774.60
Interest accrued but not due on borrowings	593.10	374.25
Unclaimed dividend*	554.89	480.68
Unclaimed fixed deposits (including interest)*	1.75	3.30
Book Overdraft	66.59	119.11
Security deposits	443.77	536.93
Acceptances for fixed assets	395.17	31.27
Payables for fixed assets		
- Outstanding dues to Micro and Small enterprises	16.56	166.73
- Outstanding dues to parties other than Micro and Small enterprises	1850.01	3213.43
Gratuity	222.56	819.00
Statutory remittances	2640.81	1811.45
Other taxes payable	1935.20	2040.01
Advances received from customers	659.75	690.86
Other payables	1201.91	1556.00
<b>Total other current liabilities</b>	<b>47113.41</b>	<b>25617.62</b>

\*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.

## 9. Short Term Provisions

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Employee Benefits	714.46	519.71
Provision for tax (net of payments)	314.21	953.38
<b>Total short term provisions</b>	<b>1028.67</b>	<b>1473.09</b>

## 10. Fixed Assets

Description	Gross Block				Depreciation/ Amortization						Net Block			(₹ lakhs) Re-valuation Amount
	As at April 1, 2012	Additions	Translation Adjust-ment / Net Revalua-tion	Disposals	As at March 31, 2013	Upto March 31, 2012	For the year	Translation Adjustment	On disposals	Impairment losses recognised in Con-solidated Statement of Profit and Loss	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012	
Tangible Assets														
Land														
- Freehold	14629.62	213.88	33.01	2720.70	12155.81	-	-	-	-	-	-	12155.81	14629.62	2458.00
- Leasehold	6981.89	2204.51	-	-	9186.40	-	-	-	-	-	-	9186.40	6981.89	223.51
Roads	1759.35	455.52	77.35	4.69	2287.53	809.84	40.16	62.09	0.86	-	911.23	1376.30	949.51	5.28
Buildings	52941.89	5687.67	1322.04	77.67	59853.93	15389.40	1912.35	778.33	31.96	176.66	18224.78	41629.15	37552.49	234.13
Plant and machinery	325952.73	44322.73	9820.96	1259.60	378836.82	184329.45	22812.47	8509.44	815.45	536.67	215372.58	163464.24	141623.28	40.44
Furniture and fixtures	2348.81	258.54	29.34	8.84	2627.85	1344.40	130.49	27.05	3.24	0.59	1499.29	1128.56	1004.41	-
Office Equipment	3461.41	335.45	71.27	220.92	3647.21	2503.48	279.97	67.13	179.44	4.16	2675.30	971.91	957.93	-
Vehicles	2198.97	785.02	17.37	471.96	2529.40	1074.48	408.38	16.98	329.36	-	1170.48	1358.92	1124.49	-
Sub-total	410274.67	54243.32	11371.34	4764.38	471124.95	205451.05	25583.82	9461.02	1360.31	718.08	239853.66	231271.29	204823.62	2961.36
Intangible Assets														
Goodwill	1004.04	-	-	-	1004.04	110.70	36.89	-	-	-	147.59	856.45	893.34	-
Trade Marks	1139.70	-	-	-	1139.70	370.40	113.97	-	-	-	484.37	655.33	769.30	-
Technical Knowhow	908.75	-	-	-	908.75	290.17	106.98	-	-	-	397.15	511.60	618.58	-
Software	1303.70	177.09	-	-	1480.79	906.86	209.26	-	27.55	-	1088.57	392.22	396.84	-
Sub-total	4356.19	177.09	-	-	4533.28	1678.13	467.10	-	27.55	-	2117.68	2415.60	2678.06	-
Grand Total	414630.86	54420.41	11371.34	4764.38	475658.23	207129.18	26050.92	9461.02	1387.86	718.08	241971.34	233686.89	207501.68	2961.36
Previous year	378824.35	25980.62	11184.79	1358.90	414630.86	175543.43	24043.04	8501.55	958.84	-	207129.18	-	207501.68	10173.41
Capital-work-in-progress												56537.81	41747.60	
												290224.70	249249.28	

## Notes to fixed assets

- |       |  |
|-------|--|
| i.    | The amount of borrowing cost capitalised to fixed assets/ capital work in progress during the year ₹2874.38 lakhs (Previous Year - ₹1291.82 lakhs)   |
| ii.   | The deed of assignment in respect of free hold land at Manali, Chennai has been executed in respect of 135.70 acres (Previous Year - 135.70 acres). In addition to aforesaid extent, 0.79 acres were handed over to SRF Limited under a land delivery receipt. Thus, the Company is in possession of 136.49 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 note 29 below).  |
| 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.    | The execution of lease deed and formal possession of land is under progress in respect of 444977 sq. mtrs (Previous Year 269921 sq. mtrs) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahrej, Gujarat.  |
| vi.   | Capital work in progress includes pre-operative expenses ₹6463.21 lakhs (Previous Year - ₹4019.44 lakhs).  |
| vii.  | The revaluation of fixed assets of the SRF Limited was carried out in the year ended March 31, 2005 and of SRF Industries (Thailand) Limited has been done in financial year ended March 31, 2011.   |
| viii. | SRF Overseas Limited has charged an impairment of ₹718.08 Lakh (Previous Year - Nil) on fixed assets. The same is based on the estimated value in use.   |

## 10. Fixed Assets (Contd.)

Description	Gross Block				Depreciation				Net Block			Re-valuation Amount	
	As at April 1, 2011	Additions	Translation Adjustment / Net Revaluation	Disposals	As at March 31, 2012	Upto March 31, 2011	For the year	Translation Adjustment	On disposals	Upto March 31, 2012	As at March 31, 2012		As at March 31, 2011
Tangible assets													
Land													
- Freehold	10673.16	3956.46	-	-	14629.62	-	-	-	-	-	14629.62	10673.16	4882.68
- Leasehold	4955.77	2026.12	-	-	6981.89	-	-	-	-	-	6981.89	4955.77	362.62
Roads	1418.01	271.68	69.66	-	1759.35	723.57	31.82	54.45	-	809.84	949.51	694.44	32.90
Buildings	47067.18	4546.00	1368.89	40.18	52941.89	12906.17	1728.96	770.87	16.60	15389.40	37552.49	34161.01	1084.31
Plant and machinery	303202.97	13806.34	9623.01	679.59	325952.73	156246.97	20977.33	7565.17	460.02	184329.45	141623.28	146956.00	3810.90
Furniture and fixtures	2094.59	231.57	27.29	4.64	2348.81	1202.52	119.10	25.17	2.39	1344.40	1004.41	892.07	-
Office Equipment	3178.63	363.63	74.53	155.38	3461.41	2343.47	231.92	66.92	138.83	2503.48	957.93	842.65	-
Vehicles	2266.87	389.80	21.41	479.11	2198.97	1020.01	376.50	18.97	341.00	1074.48	1124.49	1246.86	-
Sub-total	374857.18	25591.60	11184.79	1358.90	410274.67	174442.71	23465.63	8501.55	958.84	205451.05	204823.62	200421.96	10173.41
Intangible Assets													
Goodwill	1004.04	-	-	-	1004.04	73.78	36.92	-	-	110.70	893.34	930.26	-
Trade Marks	1139.70	-	-	-	1139.70	256.43	113.97	-	-	370.40	769.30	883.27	-
Technical Knowhow	908.75	-	-	-	908.75	102.57	187.60	-	-	290.17	618.58	806.18	-
Software	914.68	389.02	-	-	1303.70	667.94	238.92	-	-	906.86	396.84	239.25	-
Sub-total	3967.17	389.02	-	-	4356.19	1100.72	577.41	-	-	1678.13	2678.06	2858.96	-
Total	378824.35	25980.62	11184.79	1358.90	414630.86	175543.43	24043.04	8501.55	958.84	207129.18	207501.68	203280.92	10173.41
Previous year	347947.66	21089.10	10759.95	972.36	378824.35	153889.63	18464.13	3914.78	725.11	175543.43	41747.60	11307.06	15848.19
Capital-work-in-progress											249249.28	214587.98	

## 11. Investments

Long term investments are valued at cost unless there is a decline in value, other than temporary. Current investments are valued at lower of cost or fair value

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>NON-CURRENT INVESTMENTS</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>Trade investments</b>		
<b>Investments in equity instruments</b>		
<b>Unquoted</b>		
Nil (Previous Year - 15,75,000) Equity shares of ₹10 each fully paid up of Arkay Energy (Rameshwaram) Limited (15,75,000 shares sold during the year)	-	157.50
42,21,535 (Previous Year - 42,21,535) Equity shares of ₹10 each fully paid up of Malanpur Captive Power Limited	422.15	422.15
<b>Other investments</b>		
<b>Investments in equity instruments</b>		
<b>Quoted</b>		
2,901 (Previous Year - 2,901) shares of ₹10 each fully paid up of Mawana Sugars Limited	0.48	0.48
<b>Unquoted</b>		
6,70,000 (Previous Year - 6,70,000) Equity shares of ₹10 each fully paid up of Sanghi Spinners Limited	11.69	11.69
Less : Provision for diminution in value	(11.69)	(11.69)
	-	-
1,19,000 (Previous Year - 1,19,000) Equity shares of ₹10 each fully paid up of SB Packaging Limited	49.98	49.98
Less : Provision for diminution in value	(49.98)	(49.98)
	-	-
<b>Investments in debt instruments</b>		
<b>Quoted</b>		
17,500 (Previous Year - Nil) bonds of ₹1136.59 each fully paid up of HUDCO 8.20% Tax Free Bonds, 2027	198.90	-
<b>Investments in mutual funds</b>		
<b>Quoted</b>		
3,90,665 (Previous Year - Nil) Units of ₹12.80 each of DWS Gilt Fund- Growth	50.00	-
1,87,571 (Previous Year - Nil) Units of ₹26.66 each of HDFC Income Fund- Growth	50.00	-
3,62,500 (Previous Year - Nil) Units of ₹13.80 each of IDFC Dynamic Bond Fund- Growth	50.00	-
1,48,993 (Previous Year - Nil) Units of ₹33.56 each of Kotak Bond Scheme Plan A- Growth	50.00	-
<b>Investment in Private Equity Fund</b>		
<b>Fully paid investments</b>		
<b>Unquoted</b>		
6,250 (Previous Year - Nil) Units of ₹1000 each of TVS Shriram Growth Fund Scheme 1B	62.50	-
<b>Partly paid investments</b>		
<b>Unquoted</b>		
2,50,000 (Previous Year - 2,50,000) Units of ₹100 each, partly paid up to the extent of ₹25 each (Previous Year - ₹20 each) of Asian Healthcare Fund	62.50	50.00
10,00,100 (Previous Year - Nil) Units of ₹10 each (partly paid up to the extent of ₹3 each) of ICICI Prudential Venture Capital Fund	30.00	-
<b>Total Non- current investments</b>	<b>976.53</b>	<b>630.13</b>
Aggregate amount of long term quoted investments	399.38	0.48
Aggregate amount of long term unquoted investments (net of provision)	577.15	629.65
Aggregate provision for diminution in value of long term investments	61.67	61.67
Market value of long term quoted investments	387.94	0.39

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>CURRENT INVESTMENTS</b>		
<b>Investments in mutual funds</b>		
<b>Quoted</b>		
Nil (Previous Year - 2,50,00,000) Units of ₹10 each of SBI Mutual Fund - SBI Debt Fund Series - 370 Days - 12 Growth	-	2500.00
Nil (Previous year - 1,00,00,000) Units of ₹10 each of Kotak FMP - Series 79 Growth	-	1000.00
Nil (Previous year - 50,00,000) Units of ₹10 each of Taurus FMP - Series 2 Dividend Plan	-	500.00
50,00,000 (Previous year - 50,00,000) Units of ₹10 each of Kotak FMP - Series 84 - Growth	500.00	500.00
Nil (Previous year - 1,00,00,000) Units of ₹10 each of UTI Fixed Term Income Fund Series X - VIII- Growth	-	1000.00
Nil (Previous year - 1,27,55,392) Units of ₹12.23 each of Kotak Mahindra Short Term Daily Dividend Reinvestment Option	-	1559.74
Nil (Previous year - 1,04,317) Units of ₹1003.25 each of SBI Premium Liquid Fund-Institutional- Daily Dividend Reinvestment Option	-	1046.56
Nil (Previous year - 1,01,503) Units of ₹1000.09 each of Taurus Liquid Fund- Super Institutional- Daily Dividend Reinvestment Option	-	1015.12
Nil (Previous year - 99,996) Units of ₹1000.67 each of Templeton India Treasury Management Account Super Institutional Plan- Daily Dividend Reinvestment Option	-	1000.64
1,40,702 Units (Previous year - Nil) of ₹1424.55 each of Canara Robeco Liquid Fund - Growth	2004.37	-
1,96,38,906 Units (Previous Year - Nil ) of ₹15.28 each of Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth	3000.00	-
13,70,254 Units (Previous Year - Nil) of ₹218.94 each of ICICI Prudential Flexible Income Fund - Growth	3000.00	-
1,60,71,916 Units (Previous Year - Nil) of ₹18.67 each of Kotak Floater Long Term - Growth	3000.00	-
10,041,577 Units (Previous Year - Nil) of ₹20.00 each of HDFC Floating Rate Fund - Growth	2008.69	-
Nil (Previous Year - 73,098) Units of ₹1000 each of DSP Blackrock Liquidity Fund-institutional Plan- Weekly Dividend	-	731.37
13,22,929 (Previous Year - Nil) Units of ₹40.60 each of Kotak Gilt Investment	536.05	-
<b>Investments in mutual funds</b>		
<b>Unquoted</b>		
Nil (Previous year - 9,99,995) Units of ₹100.02 each of ICICI Prudential Liquid Super Institutional Plan Daily Dividend Reinvestment Option	-	1000.22
Nil (Previous year - 1,48,903) Units of ₹1019.45 each of UTI Liquid Cash Plan- Institutional- Daily Dividend Reinvestment Option	-	1517.99
37,170 units (Previous year - 25,279) of ₹100.09 each of Birla Sun Life Saving fund retail - Daily dividend reinvestment	37.21	25.30
5,993 units (Previous year - 2,428) of ₹1001.28 each of SBI ultra short term fund - Retail plan - Daily dividend	60.01	24.29
<b>Total current investments</b>	<b>14146.33</b>	<b>13421.23</b>
Aggregate amount of current quoted investments	14049.11	10853.43
Aggregate amount of current unquoted investments	97.22	2567.80
Market value of current quoted investments	14103.57	11102.64
Net asset value/ repurchase price of units of mutual funds- unquoted	97.22	2567.80

## 12. Deferred Tax Assets

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	98.29	94.33
Accrued expenses deductible on payment	1221.94	1026.77
Brought forward business losses *	131.13	293.64
<b>Total deferred tax assets</b>	<b>1451.36</b>	<b>1414.74</b>

\* The deferred tax assets have been recognised keeping in view the concept of prudence and on the basis of virtual certainty that sufficient future taxable income will be available against which deferred tax assets will be realised.

## 13. Long Term Loans and Advances

(Unsecured considered goods, unless otherwise stated)

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Capital advances*	7946.88	6834.76
Security deposits**#	2709.75	2586.57
Loans to employees	466.16	489.88
Prepaid expenses	87.20	23.33
Cenvat / Service Tax / VAT recoverable	3660.43	2439.28
Other loans and advances		
Unsecured - considered good	135.88	74.18
- considered doubtful	9.95	12.15
Less : Provision for doubtful advances	(9.95)	(12.15)
<b>Total long term loans and advances</b>	<b>15006.30</b>	<b>12448.00</b>

\* Includes ₹1962.16 lakhs (Previous Year – ₹1111.85 lakhs) paid to a party towards construction of a jointly owned asset.

\*\* Security deposits includes ₹1056.85 lakhs (Previous year - ₹1021.76 lakhs) as interest free security deposits for accommodation taken on lease for Company's officers / directors and various offices taken on lease by the Company.

# Refer note 32

## 14. Other Non-current Assets

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Unamortised upfront fees on loans	832.94	323.17
<b>Total other non-current assets</b>	<b>832.94</b>	<b>323.17</b>

## 15. Inventories

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Raw materials	18421.72	16525.96
Raw materials in transit	9506.52	8123.76
Stock-in-process	9926.89	8327.45
Stock-in-process in transit	87.98	78.69
Finished goods	10371.35	8761.07
Finished goods in transit	714.76	1165.50
Stock of traded goods	19.58	25.90
Stores and spares	7260.46	5730.28
Stores and spares in transit	-	27.18
Stock of Certified Emission Reductions	13.29	-
<b>Total inventories</b>	<b>56322.55</b>	<b>48765.79</b>

- Raw materials, stock-in-process, finished goods and stock of traded goods are valued at lower of cost and net realizable value.
- Stores and spares are valued at cost or under.



## 16. Trade Receivables

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured – considered good	4.33	14.16
Unsecured – considered doubtful	281.50	270.97
	285.83	285.13
Less : Provision for doubtful debts	281.50	270.97
	4.33	14.16
Other trade receivables		
Unsecured – considered good	50864.60	48359.02
<b>Total trade receivables</b>	<b>50868.93</b>	<b>48373.18</b>

## 17. Cash and Cash Equivalents

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Cash in hand	42.39	41.64
Cheques, drafts on hand	-	12.76
Balance with banks on		
Current accounts	17250.05	9603.98
Exchange Earners Foreign Currency (EEFC) accounts	-	1301.85
Deposit accounts	744.50	2035.54
	18036.94	12995.77
In earmarked accounts		
Margin money	505.63	531.39
Unclaimed dividend accounts	554.89	480.68
<b>Total cash and bank equivalents</b>	<b>19097.46</b>	<b>14007.84</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS - 3 - Cash Flow Statements is	18036.94	12995.77

## 18. Short-term Loans and Advances

(Unsecured considered goods, unless otherwise stated)

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Loans to employees	426.36	327.35
Loans and advances to related parties	-	4.77
Deposits with customs and excise authorities	150.84	673.51
Security deposits	98.12	97.20
Advance Income tax	36.48	32.75
Claims recoverable	2343.75	1005.40
CENVAT / Service Tax / VAT recoverable	4762.96	4719.28
Advance to suppliers	789.37	1210.62
Prepaid expenses	669.21	535.06
Other loans and advances		
Unsecured - considered good	185.62	532.97
- considered doubtful	279.45	293.01
Less : Provision for doubtful advances	(279.45)	(293.01)
<b>Total short-term loans and advances</b>	<b>9462.71</b>	<b>9138.91</b>

Loans and advances to related parties includes:

	(₹ lakhs)	
	As at March 31, 2013	As at March 31, 2012
Shri Educare Limited	-	4.77
<b>Total loans and advances to related parties</b>	<b>-</b>	<b>4.77</b>

## 19. Other Current Assets

	As at March 31, 2013	As at March 31, 2012
Unamortised upfront fees on loans	217.52	150.56
Interest accrued on bonds	1.06	-
<b>Total other current assets</b>	<b>218.58</b>	<b>150.56</b>

## 20. Other Operating Revenue

	Year ended March 31, 2013	Year ended March 31, 2012
Claims	46.31	94.16
Export incentives	21.30	183.65
Scrap sales	1179.89	1289.62
Other operating income	153.71	447.77
<b>Total other operating revenue</b>	<b>1401.21</b>	<b>2015.20</b>

## 21. Other Income

	Year ended March 31, 2013	Year ended March 31, 2012
Dividend on current investments	653.16	1350.96
Profit on sale of long term investment	-	10.00
Profit on sale of current investments	438.82	-
Provision / Liabilities no longer required written back	219.14	469.36
Profit on sale of fixed assets	2314.97	481.36
Interest income		
• from customers	21.23	8.05
• on loans and deposits	36.45	25.00
• on others*	205.57	185.43
Other non-operating income	310.53	585.15
<b>Total other operating income</b>	<b>4199.87</b>	<b>3115.31</b>

\* includes income-tax deducted at source ₹19.43 lakhs (previous year ₹23.80 lakhs)

## 22. Cost of Raw Material Consumed

	Year ended March 31, 2013	Year ended March 31, 2012
Opening stock of Raw Materials	24649.72	27408.96
Add : Purchase of Raw Materials	220368.03	227878.22
	245017.75	255287.18
Less : Closing Stock of Raw Materials	27928.24	24649.72
<b>Cost of materials consumed</b>	<b>217089.51</b>	<b>230637.46</b>

## 23. Purchase of Traded Goods

	Year ended March 31, 2013		Year ended March 31, 2012	
	Quantity (MT)	Value (₹ lakhs)	Quantity (MT)	Value (₹ lakhs)
Yarn	277.09	565.32	156.21	329.45
Chloromethanes	-	-	85.53	257.00
Refrigerant gases	103.03	318.55	-	-
Others		17.83		53.71
<b>Total</b>		<b>901.70</b>		<b>640.16</b>

## 24. (Increase) / Decrease in Inventories of Finished Goods, Stock-in-process and Traded Goods

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Opening Stock		
Stock-in-Process	8406.14	8723.19
Finished goods	9926.57	9564.13
Traded goods	25.90	-
Stock of Certified Emission Reductions*	135.22	-
	18493.83	18287.32
Stock produced during trial run		
Finished goods	277.30	-
	277.30	-
Closing Stock		
Stock-in-Process	10014.87	8406.14
Finished goods	11086.11	9926.57
Traded goods	19.58	25.90
Stock of Certified Emission Reductions	13.29	-
	21133.85	18358.61
(Increase) \ Decrease in inventories of finished goods, stock-in-process and traded goods		
Stock-in-Process	(1608.73)	317.05
Finished goods	(882.24)	(362.44)
Traded goods	6.32	(25.90)
Stock of Certified Emission Reductions	121.93	-
	<b>(2362.72)</b>	<b>(71.29)</b>

\*Refer note 37

## 25. Employee Benefits Expenses

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages, bonus, etc	21948.02	18226.02
Contribution to provident and other funds	1968.84	1728.44
Workmen and staff welfare expenses	2725.94	2158.73
<b>Total employee benefit expenses</b>	<b>26642.80</b>	<b>22113.19</b>

## 26. Finance Costs

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Interest expenses		
● On debentures and loans for fixed period	4558.15	5426.52
● Cash Credit and others	2047.79	2089.06
Other borrowing costs	1445.67	1493.09
Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	1928.69	2707.84
<b>Total finance costs</b>	<b>9980.30</b>	<b>11716.51</b>

## 27. Depreciation and Amortization Expenses

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation on tangible assets (Refer note 10)	25583.82	23465.63
Amortization on intangible assets (Refer note 10)	467.10	577.41
Less : Transfer from revaluation reserve (Refer note 3(c))	(5163.39)	(5674.72)
<b>Net Depreciation and amortization expenses</b>	<b>20887.53</b>	<b>18368.32</b>

## 28. Other Expenses

	Year ended March 31, 2013	Year ended March 31, 2012
	(₹ lakhs)	
Stores and Spares consumed	4621.68	3350.48
Power and Fuel	38859.15	31418.49
Rent	2073.71	1867.97
Repairs and Maintenance		
- Buildings	260.80	275.22
- Plant and machinery	5501.40	4483.44
- Other Maintenance	1905.54	1439.48
Insurance	1049.89	931.37
Rates and taxes	502.52	302.47
Freight	8278.76	7078.25
Professional and legal charges	2109.33	3102.62
Contract conversion charges	392.86	640.65
Travel	1076.47	924.22
Directors' sitting fees	18.76	19.96
Selling commission	974.27	1189.10
Increase / (decrease) in excise duty on closing stock	332.03	71.99
Provision for doubtful debts / advances	17.60	23.75
Bad debts / advances written off	19.30	1.28
Fixed assets discarded	168.73	40.09
Impairment of Fixes Assets	718.08	-
Auditors' Remuneration (net of service tax input credit)		
- Audit Fees	88.35	82.20
- For limited review of unaudited financial results	30.00	24.00
- For corporate governance, consolidated financial statements and other certificates	11.45	9.50
- For tax audit	8.50	5.00
Exchange currency fluctuation	914.92	2248.46
Miscellaneous expenses	4663.43	4108.59
<b>Total other expenses</b>	<b>74597.53</b>	<b>63638.58</b>

## 29. Contingent Liabilities Not Provided For

- a. Claims against the Company not acknowledged as debts:

	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
Excise duty, customs duty and service tax * @	6290.11	5924.08
Sales Tax ** @#	8412.70	1225.28
Income Tax***	778.79	356.82
Stamp Duty****	2881.55	2881.55
Others ***#	1766.32	474.33

\* Amount deposited ₹448.69 lakhs (Previous year - ₹315.92 lakhs)

\*\* Amount deposited ₹9.75 lakhs (Previous Year - ₹7.16 lakhs)

\*\*\* Amount deposited ₹8.00 lakhs (Previous Year - ₹8.00 lakhs)

\*\*\*\* Amount deposited ₹501.65 lakhs (Previous year - Nil)

\*\*\*\*\* 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 ₹30300 lakhs and levied a stamp duty of ₹2372.50 lakhs and imposed a penalty of ₹509.05 lakhs. The said demand was challenged before the High Court of Madhya Pradesh Bench at Gwalior. The High Court 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 ₹2776.18 lakhs and not the entire undertaking valued at ₹30300 lakhs as claimed by the State. Consequently, the 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 ₹2064.30 lakhs (Previous Year - ₹1793.81 lakhs) and ₹38.00 lakhs (Previous Year - ₹38.00 lakhs) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.

- # includes demand on account of central sales tax, VAT and entry tax aggregating to ₹6034.68 lakhs received by the Company subsequent to the year end. The Company is in the process of filing writ petition with the Hon'ble High Court relating to the above demand.

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. Liability on account of Bank Guarantees ₹1142.36 lakhs (Previous Year – ₹1671.23 lakhs)
- c. Guarantees given to banks for repayment of financial facilities availed by others ₹250.00 lakhs (Previous Year – 250.00). Outstanding amount as at the year-end is ₹66.69 lakhs (Previous Year – Nil).
- d. Liabilities on account of bills discounted, including factoring – Nil (Previous Year – 188.16 lakhs).
- e. The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty amounting to ₹266.79 lakhs (Previous year – ₹72.24 lakhs) 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.

### 30. Capital and Other Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to ₹23529.88 lakhs (Previous Year - ₹32246.49 lakhs).

Further, the Company has entered into following contribution agreements:

- (i) 2,50,000 units (previous year – 2,50,000 units) of ₹100 each out of which the Company has to make further investment of ₹75 (previous year - ₹80) per unit aggregating to ₹187.50 Lakh (previous year - ₹200 Lakh) in Asian Healthcare Fund Investment Trust.
- (ii) 10,00,100 units (previous year – Nil) of ₹10 each out of which the Company has to make further investment of ₹7 (previous year - Nil) per unit aggregating to ₹70 Lakh (previous year - Nil) in ICICI Prudential Venture Capital Fund

The Company has other commitments, for purchase / 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 other long term commitments or material non-cancellable contractual commitments / contracts, which might have material impact on the financial statements.

### 31. Managerial Remuneration

- (a) Chairman / Managing Director / Deputy Managing Director / Whole time Director

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Salary and Allowances	323.72	322.32
Contribution to Provident and Superannuation Funds	85.86	85.86
Value of Perquisites	161.05	150.88
Commission (Provided)	475.00	475.00
<b>SUB-TOTAL</b>	<b>1045.63</b>	<b>1034.06</b>

- (b) Non-Executive Directors

Commission (Provided)	29.94	31.44
Professional Consultancy	8.84	9.96
Directors' Sitting Fees	18.76	19.96
<b>SUB-TOTAL</b>	<b>57.54</b>	<b>61.36</b>
<b>TOTAL</b>	<b>1103.17</b>	<b>1095.42</b>

As there is a global contribution to gratuity fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to gratuity fund in respect of directors has not been considered in the above computation. Further, the liability on account of compensated absences in respect of directors has not been considered above, since the provision is based on an actuarial basis for the Company as a whole.

### 32. Related Party Disclosures under AS-18 "Related Party Disclosures"

As per Accounting standard AS –18 "Related Party Disclosures" the Company's related parties and transactions with them are disclosed below:

#### A NAME OF RELATED PARTY AND NATURE OF RELATED PARTY RELATIONSHIP

By virtue of control (Fellow subsidiaries) (a)	By virtue of control (Holding Company) (b)	Key Management Personnel and their relatives (c)	Enterprises over which (c) have significant influence (d)
<b>Fellow subsidiaries with effect from August 3, 2012</b>	KAMA Holdings Limited with effect from August 3, 2012	Mr Arun Bharat Ram, Chairman Mr Ashish Bharat Ram, Managing Director	KAMA Holdings Limited became holding company on August 3, 2012 KAMA Realty (Delhi) Limited became fellow subsidiary on August 3, 2012
KAMA Realty (Delhi) Limited		Mr Kartikeya Bharat Ram, Deputy Managing Director	Shri Educare Limited became fellow subsidiary on August 3, 2012
Shri Educare Limited		Mr K Ravichandra, Whole Time Director	Shri Educare Maldives Private Limited became fellow subsidiary on August 3, 2012
Shri Educare Maldives Private Limited		The late Mrs Manju Bharat Ram, Wife of Mr Arun Bharat Ram	KHL Investments Limited became fellow subsidiary on August 3, 2012 Srishti Westend Greens Farms Private Limited
KHL Investments Limited		Mr T L Raman, Whole Time Director	Karm Farms Private Limited SRF Foundation

#### B TRANSACTIONS WITH RELATED PARTIES REFERRED TO IN NOTE 32A ABOVE

Nature of Transactions	(a)		(b)		(c)		(d)	
	Year ended		Year ended		Year ended		Year ended	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
<b>Management contracts including for deputation of employees to</b>								
- KAMA Holdings Limited			6.25	-			-	16.83
- KAMA Realty (Delhi) Limited							-	5.45
<b>Rent paid to</b>								
- Kama Realty (Delhi) Limited	427.80	-					213.90	641.70
- Karm Farms Private Limited							30.00	30.00
- Srishti Westend Greens Farms Private Limited							30.00	30.00
- Mrs Manju Bharat Ram					18.00	12.00		
- Mr Arun Bharat Ram					6.00	-		
- Mr Ashish Bharat Ram					2.00	-		
- Mr Kartikeya Bharat Ram					2.00	-		
<b>Managerial Remuneration paid to</b>								
- Mr Arun Bharat Ram					493.30	489.90		
- Mr Ashish Bharat Ram					286.16	281.68		
- Mr Kartikeya Bharat Ram					257.47	255.24		
- Mr K. Ravichandra					7.50	7.00		
- Mr T L Raman					1.20	0.24		
<b>Reimbursement of expenses from</b>								
- KAMA Holdings Limited			0.54	-			7.18	46.50
- SRF Foundation							-	7.63
- Shri Educare Limited	0.56	-					0.15	20.73



Nature of Transactions	(a)		(b)		(c)		(d)	
	Year ended		Year ended		Year ended		Year ended	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
<b>Reimbursement of expenses paid</b>								
- KAMA Holdings Limited							-	41.11
- Shri Educare Limited	4.27	-						
<b>Recovery of sums written off</b>								
- SRF Foundation							-	400.00
<b>Increase in security deposit to</b>								
- Mrs Manju Bharat Ram					-	12.00		
- Mr Ashish Bharat Ram					0.60	-		
- Mr Kartikeya Bharat Ram					0.60	-		
<b>Donations to</b>								
- SRF Foundation							25.00	100.00

**Balances outstanding as at the year end:-**

Nature of Transactions	(a)		(b)		(c)		(d)	
	As at		As at		As at		As at	
	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012	31.03. 2013	31.03. 2012
<b>Receivables</b>								
- Shri Educare Limited							-	4.77
<b>Commission Payable</b>								
- Mr Arun Bharat Ram					225.00	225.00		
- Mr Ashish Bharat Ram					125.00	125.00		
- Mr Kartikeya Bharat Ram					125.00	125.00		
<b>Security Deposits outstanding</b>								
- KAMA Realty (Delhi) Limited	330.00	-					-	330.00
- Karm Farms Private Limited							310.00	310.00
- Srishti Westend Greens Farms Private Limited							310.00	310.00
- Mr Arun Bharat Ram					12.00	-		
- Mr Ashish Bharat Ram					0.60	-		
- Mr Kartikeya Bharat Ram					0.60	-		
- Mrs Manju Bharat Ram					-	12.00		

**33. Earnings Per Share**

	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax (₹ lakhs)	25295.16	37881.79
Weighted average number of equity shares outstanding (Nos.)	57420500	59098455
Basic and diluted earnings per share in rupees (₹) (face value – ₹10 per share)	44.05	64.10

### 34. Segment Reporting

#### A. Business Segments

Based on the guiding principles laid down in Accounting Standard (AS) - 17 "Segment Reporting", the Company's business segments include:

- 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, chloromethanes, pharmaceuticals, Certified Emissions Reductions & 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, debtors, inventories and fixed 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.

#### Information about Business Segments

##### Segment Revenue, Results, Assets, Liabilities and Capital Employed

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
<b>Segment Revenue</b>		
a) Technical Textiles Business (TTB)		
- External sales	212827.26	213751.89
- Inter-segment sales	299.64	920.42
- <b>Total</b>	<b>213126.90</b>	<b>214672.31</b>
b) Chemicals and Polymers Business (CPB)		
- External sales	103477.91	120339.49
- Inter-segment sales	19.67	71.61
- <b>Total</b>	<b>103497.58</b>	<b>120411.10</b>
c) Packaging Films Business (PFB)		
- External sales	61989.34	66008.97
- Inter-segment sales	88.07	13.61
- <b>Total</b>	<b>62077.41</b>	<b>66022.58</b>
<b>Total Segment revenue</b>	<b>378701.89</b>	<b>401105.99</b>
Less: Inter Segment revenue	407.38	1005.64
<b>Net Sales / Income from Operations</b>	<b>378294.51</b>	<b>400100.35</b>
Add: Unallocable Income	4199.87	3115.31
<b>Total Revenue</b>	<b>382494.38</b>	<b>403215.66</b>
<b>Segment Results</b>		
(Profit / (Loss) before finance costs and tax from each segment)		
a) Technical Textiles Business (TTB)	12341.15	11450.14
b) Chemicals and Polymers Business (CPB)	34653.10	59413.37
c) Packaging Films Business (PFB)	601.37	2521.66
<b>Total Segment results</b>	<b>47595.62</b>	<b>73385.17</b>
Less: i) Finance Costs	9980.30	11716.51
Less: ii) Other Unallocable expenses net of income	2857.59	5495.93
<b>Total Profit before tax</b>	<b>34757.73</b>	<b>56172.73</b>
Less: Provision for taxation	9462.57	18290.94
<b>Profit after tax</b>	<b>25295.16</b>	<b>37881.79</b>

	Year ended March 31, 2013	Year ended March 31, 2012
<b>Capital Expenditure (other than capital advances)</b>		
a) Technical Textiles Business (TTB)	3648.78	9440.56
b) Chemicals and Polymers Business (CPB)	28524.83	40566.10
c) Packaging Films Business (PFB)	35201.92	4402.08
d) Unallocated	1835.09	2012.42
<b>Total</b>	<b>69210.62</b>	<b>56421.16</b>
<b>Depreciation</b>		
a) Technical Textiles Business (TTB)	11509.39	10667.81
b) Chemicals and Polymers Business (CPB)	5973.37	3893.50
c) Packaging Films Business (PFB)	2904.55	3226.29
d) Unallocated	500.22	580.72
<b>Total</b>	<b>20887.53</b>	<b>18368.32</b>

**Other Information :**

	As at March 31, 2013	As at March 31, 2012
	(₹ lakhs)	
<b>Segment Assets</b>		
a) Technical Textiles Business (TTB)	172110.30	183755.16
b) Chemicals and Polymers Business (CPB)	143007.60	113216.87
c) Packaging Films Business (PFB)	104533.61	59444.21
<b>Total</b>	<b>419651.51</b>	<b>356416.24</b>
Add: Unallocable Assets	34840.56	30214.84
<b>Total Assets</b>	<b>454492.07</b>	<b>386631.08</b>
<b>Segment Liabilities</b>		
a) Technical Textiles Business (TTB)	39134.66	42172.21
b) Chemicals and Polymers Business (CPB)	7707.40	8536.91
c) Packaging Films Business (PFB)	15170.61	14499.88
<b>Total</b>	<b>62012.67</b>	<b>65209.00</b>
Add: Unallocable Liabilities	3118.81	2322.82
<b>Total Liabilities</b>	<b>65131.48</b>	<b>67531.82</b>
<b>Segment Capital Employed</b>		
<b>(Segment assets less segment liabilities)</b>		
a) Technical Textiles Business (TTB)	132975.64	141582.95
b) Chemicals and Polymers Business (CPB)	135300.20	104679.96
c) Packaging Films Business (PFB)	89363.00	44944.33
<b>Total</b>	<b>357638.84</b>	<b>291207.24</b>
Add : Unallocable assets less liabilities	31721.75	27892.02
<b>Total capital employed</b>	<b>389360.59</b>	<b>319099.26</b>

**B. Geographical Segments**

	Year ended March 31, 2013	Year ended March 31, 2012
	(₹ lakhs)	
<b>Revenue</b>		
India	247938.53	248128.09
Outside India	134555.85	155087.57
<b>Total</b>	<b>382494.38</b>	<b>403215.66</b>
<b>Carrying Amount of Segment Assets</b>		
India	370129.77	346102.88
Outside India	84362.30	40528.20
<b>Total</b>	<b>454492.07</b>	<b>386631.08</b>
<b>Addition to Fixed Assets and Intangible Assets</b>		
India	34167.82	52042.04
Outside India	35042.80	4379.12
<b>Total</b>	<b>69210.62</b>	<b>56421.16</b>

### 35. Foreign Currency Exposure

SRF has three diverse businesses with transactions both in the nature of imports and exports. This provides a natural hedge against the exchange rate fluctuations. As per the board mandated policy, hedging is done on basis of net exposure. Further, with respect to volatility in interest rates, certain hedging transactions are entered into by the company. Various kind of instruments are used for hedging which are mandated as per regulatory requirements and board guidelines.

The details of category-wise quantitative data about derivative instruments as at March 31, 2013 are as under:

Nature of Derivative	No. of Deals As at		Purpose As at		Foreign Currency (In Millions) As at		Amount (₹lakhs) As at	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
EUR / INR	-	7	-	Hedging	-	17.25	-	11724.83
Option Strips	3	3	Conversion of Floating LI-BOR to Fixed Rate	Conversion of Floating LIBOR to Fixed Rate	-	-	24426.00	22891.50
Interest Rate Swap	-	9	-	Forward Sell Contracts	-	19.75	-	13424.08
EUR / INR Sell Forwards	4	5	Sales	Sales	0.09	0.110	64.02	74.77
EUR / USD	2	1	Hedging exposure for borrowing in Foreign currency	Hedging exposure for borrowing in Foreign currency	6.00	6.00	3256.80	3052.20
USD / ZAR	1	-	Hedging exposure for borrowing in Foreign currency	-	2.00	-	1085.60	-
Vanilla forward	2	-	Hedge against Euro denominated capital equipment purchases	-	11.83	-	6423.18	-

Foreign Currency Exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Foreign Currency (in millions)	Amount ₹ lakhs	Foreign Currency (in millions)	Amount ₹ lakhs
Term Loans – USD	139.63	75791.31	70.98	36108.42
PCFC - USD	26.50	14384.20	21.50	10937.05
Buyer's Credits - USD	18.02	9778.91	34.60	17602.34

### 36. Operating Leases

The Company has entered into operating lease agreements for various premises taken for accommodation of Company's officers / directors and various offices of the Company. These arrangements are both cancellable and non-cancellable in nature and range between two to ten years. As at March 31, 2013, the future minimum lease payments under non-cancellable operating leases as set out below: -

	(₹ lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Total of future minimum lease payments under non-cancellable operating leases for each of the following periods		
- Not later than one year	1510.20	1596.96
- Later than one year and not later than five years	6045.66	6212.06
- Later than five years	1668.62	3304.15
Lease rent recognized in the statement of profit and loss	2073.71	1867.97

37. Pursuant to the adoption of Guidance Note on Accounting for Self-Generated Certified Emission Reductions (CER) effective April 1, 2012, the stock of CER as on April 1, 2012 has been recognized at cost amounting to ₹135.22 lakhs net of tax of ₹43.88 lakhs by adjusting 'Surplus in statement of profit and loss' by ₹91.35 lakhs

38. The details of subsidiary companies considered in the preparation of Consolidated Financial Statements are as under:

#### Indian Subsidiaries

S. No.	Particulars	(₹ lakhs)		
		SRF Holiday Home Limited	SRF Transnational Holdings Limited	SRF Properties Limited
(a)	Financial year of the subsidiary	March 31, 2013	March 31, 2013	March 31, 2013
(b)	Extent of holding	100%	100%	100%
(c)	Capital	280.00	3254.18	8.00
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	(5.10)	(2134.96)	119.47
(e)	Total Assets Fixed Assets + Current Assets)	274.96	64.04	30.64
(f)	Total Liabilities (Debts + Current Liabilities)	0.06	35.25	0.38
(g)	Details of Investment (except in case of investment in subsidiaries)	-	1090.43	97.21
(h)	Turnover (Including Other Income)	-	83.58	24.82
(i)	Profit Before Taxation	(0.15)	80.75	23.87
(j)	Add / (Less): Provision for Taxation	-	9.90	4.15
(k)	Profit After Taxation	(0.15)	70.85	19.72
(l)	Proposed Dividend	-	-	-

S. No.	Particulars	(₹ lakhs)	
		SRF Energy Limited	SRF Fluorochemicals Limited
(a)	Financial year of the subsidiary	March 31, 2013	March 31, 2013
(b)	Extent of holding	100%	100%
(c)	Capital	5.00	5.00
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	(0.69)	(0.68)
(e)	Total Assets (Fixed Assets + Current Assets)	4.37	4.38
(f)	Total Liabilities (Debts + Current Liabilities)	0.06	0.06
(g)	Details of Investment (except in case of investment in subsidiaries)	-	-
(h)	Turnover (Including Other Income)	-	-
(i)	Profit Before Taxation	(0.10)	(0.10)
(j)	Less: Provision for Taxation	-	-
(k)	Profit After Taxation	(0.10)	(0.10)
(l)	Proposed Dividend	-	-

#### Foreign Subsidiaries

S. No.	Particulars	SRF Global BV#		SRF Flexipak (South Africa)(Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ lakhs	Rand	₹ lakhs
(a)	Financial year of the subsidiary	March 31, 2013		March 31, 2013	
(b)	Extent of holding	100%		100%	
(c)	Capital	18315664	9941.74	100	0.01
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	67154	36.45	(12178049)	(716.92)
(e)	Total Assets (Fixed Assets + Current Assets)	53292399	28927.11	307568881	18106.58
(f)	Total Liabilities (Debts + Current Liabilities)	65001383	35282.75	319746830	18823.49
(g)	Details of Investment (except in case of investment in subsidiaries)	*	*	-	-
(h)	Turnover (Including Other Income)	890137	483.17	-	-
(i)	Profit Before Taxation	(827451)	(449.14)	(12014668)	(707.30)
(j)	Less: Provision for Taxation	-	-	-	-
(k)	Profit After Taxation	(827451)	(449.14)	(12014668)	(707.30)
(l)	Proposed Dividend	-	-	-	-

\* Investment in subsidiary USD 30091802 (Equivalent to ₹16333.83 lakhs)

S. No.	Particulars	SRF Overseas Limited# (subsidiary of SRF Global BV)		SRF Industries (Thailand) Limited# (subsidiary of SRF Global BV)	
		AED	₹ lakhs	Baht	₹ lakhs
(a)	Financial year of the subsidiary	March 31, 2013		March 31, 2013	
(b)	Extent of holding	100%		100%	
(c)	Capital	84049966	12421.74	100000300	1854.01
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	(50582549)	(7475.59)	630301450	11685.79
(e)	Total Assets (Fixed Assets + Current Assets)	46985002	6943.91	3148885247	58380.33
(f)	Total Liabilities (Debts + Current Liabilities)	13517585	1997.76	2418583497	44840.53
(g)	Details of Investment (except in case of investment in subsidiaries)	-	-	-	-
(h)	Turnover (Including Other Income)	78269242	11567.41	2074305307	38457.62
(i)	Profit Before Taxation	(14293049)	(2112.37)	117664137	2181.49
(j)	Less: Provision for Taxation	-	-	-	-
(k)	Profit After Taxation	(14293049)	(2112.37)	117664137	2181.49
(l)	Proposed Dividend	-	-	-	-

S. No.	Particulars	SRF Industex Belting (Pty) Lim- ited# (subsidiary of SRF Global BV)		SRF Fluor Private Limited#	
		Rand	₹ lakhs	USD	₹ lakhs
(a)	Financial year of the subsidiary	March 31, 2013		March 31, 2013	
(b)	Extent of holding	100%		100%	
(c)	Capital	13320202.00	784.16	20002	10.86
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	2178113.00	128.23	(52905)	(28.72)
(e)	Total Assets (Fixed Assets + Current Assets)	88269257	5196.41	-	-
(f)	Total Liabilities (Debts + Current Li- abilities)	72770942	4284.02	32903	17.86
(g)	Details of Investment (except in case of investment in subsidiaries)	-	-	-	-
(h)	Turnover (Including Other Income)	156161342	9193.22	-	-
(i)	Profit Before Taxation	2016131	118.69	(11483)	(6.23)
(j)	Add / (Less): Provision for Taxation	1935484	113.94	-	-
(k)	Profit After Taxation	3951615	232.63	(11483)	(6.23)
(l)	Proposed Dividend	-	-	-	-

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

- (i) 1 AED = ₹14.78
- (ii) 1 USD = ₹54.28
- (iii) 1 Baht = ₹01.85
- (iv) 1 Rand = ₹05.89

39. Figures pertaining to subsidiaries have been reclassified wherever considered necessary to bring them in line with the Holding Company's financial statements.

For and on behalf of the Board of Directors

Arun Bharat Ram  
Chairman

Ashish Bharat Ram  
Managing Director

Kartikeya Bharat Ram  
Deputy Managing Director

Place: Gurgaon  
Date: May 3, 2013

Vinayak Chatterjee  
Director

Rajendra Prasad  
President & Chief Financial Officer

Anoop K Joshi  
Sr Vice President & Company Secretary







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