SRF

We always find a better way

TECHNICAL TEXTILES BUSINESS

CHEMICALS AND POLYMERS BUSINESS

PACKAGING FILMS BUSINESS

We always find a Better Way

ANNUAL REPORT **2017-18**

What's inside

Message from the Chairman

"FY 2017-18 demonstrated yet again, the strength of our strategy, to enhance our manufacturing prowess, maintain strong quality systems and be at the forefront of innovation in India"

Dear Shareholders,

I am delighted to share with you the events and developments of your Company during the course of Financial Year (FY) 2017-18. The overall performance of your Company has witnessed a healthy growth and we continue to do well in most of our core businesses, keeping in mind the dynamic domestic and global macro-economic environment. In FY 2017-18, India's economic performance remained resilient. The introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This however, did not take long, and from the fourth quarter onwards, signs of growth returning were evident.

Further, the International Monetary Fund (IMF) expects economic activity to strengthen through 2018 in both advanced economies as well as the emerging markets. SRF faces this changing environment with optimism.

At the Business level, FY 2017-18 demonstrated yet again, the strength of our strategy, to enhance our manufacturing prowess, maintain strong quality systems and be at the forefront of innovation in India.

Our continued investment in facilities further augment our market reach and complement India's growth story. While doing this, we continue to offer our employees an enriching career and forums to enhance their skill sets and capabilities, making them ready for the future. Being responsible fiscally and environmentally is something that shapes our identity and secures our future.

In the year gone by, we continued to strengthen our market share in the Fluorochemicals Business and remain the largest producer in India. During the year, we witnessed a steady transition from HFC-22 to increasing usage of HFC blends and HFC 32. We have been at the forefront of leading this revolution in India. I am glad to share that your Company entered into a definitive agreement with a Global player to acquire its HFC 125 assets at a value of around USD 10 million. This acquisition is in line with our overall fluorine-based refrigerants strategy and showcases our endeavor to continuously invest in products for the future. With this acquisition, we will now have the unique advantage of manufacturing all three major HFCs – namely, HFC 134a, HFC 32 and HFC 125, which will be marketed under the Company's FLORON® brand. The capacity of AHF, which is a basic raw material for most of the HFCs is also being increased to cater to future needs. These investments will help SRF become a fully backward integrated player and nearly double our existing HFC capacities. We also successfully filed the Drug Master File for Dymel's HFC 134a pharma gas with the US FDA. During the year, we successfully commissioned the Greenfield Chloromethanes plant at our Dahej complex with a capacity of 40,000 MT per annum using our in-house technology. Here, we have effectively doubled our capacity and are now one of the largest producers of Chloromethanes in India. I am also glad to share that this newly commissioned plant has already achieved hundred percent capacity utilization during the year.

About the Specialty Chemicals Business, the overall sentiment in the global agro-chemical industry remained subdued and impacted our results. However, we have seen visible green shoots in the sector, which we believe signals an uptick in the industry. We continue to strengthen our capabilities further in this segment. During the year, we successfully commissioned new plants of MPP3, amongst others. Going forward, we will continue to focus on the commercial conversion of new products developed in both pharma and agro segments in the next couple of years. We have built an excellent facility at Dahej, backed by strong R&D, manufacturing and skilled talent and the funnel remains strong and robust, ahead of the expected revival of the industry. We have currently filed 135 patents, of which twelve have been granted. I am also happy to share that your Company's Bhiwadi facility was conferred the 23rd Bhamashah Award 2017 by the Government of Rajasthan for significant contribution in the field of primary and elementary education along with infrastructural development of schools in the state. Our sites at Bhiwadi and Dahej also received permission to use the Responsible Care logo from the Indian Chemical Council.

In the Technical Textiles Business, we saw good traction with our customers in the Tyre Cord Fabrics segment as we continue to focus on increasing cost efficiencies through a judicious management of raw materials and inventories. We have also seen some positive initiatives by the Government of India to safeguard the interests of domestic players. In Belting Fabrics, we continue to focus on delivering superior products with the help of our strong R&D DNA, which has yielded fruitful results for your Company. In Coated Fabrics, we maintained our market share of more than 50% and in the Laminated Fabrics segment, we continue to maintain price leadership and supply the best quality products in the market. I am also glad to share that our Technical Textiles plant in Rayong, Thailand was awarded the 'Green Star' award for the 3rd consecutive year by the Government of Thailand. It is a recognition of the sustainable efforts towards safety, protection of the environment and care for the community that your Company practices.

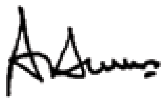
As we continue to deliver excellence to our customers and stakeholders through investments in our manufacturing facilities and building stronger partnerships, I am glad to share that our Packaging Films Business' newly commissioned Bi-axially Oriented Polyethylene Terephthalate (BOPET) films and Bi-axially Oriented Polypropylene (BOPP) films plants at DTA, Indore have been fully utilized in the year. In fact, all our domestic facilities operated at optimal levels despite challenging external environment. Our South Africa and Thailand facilities also performed well during the year. We continue to focus on efficient utilization of raw materials, set new benchmarks of being the lowest cost producer and further optimize the product mix towards innovative, value-added products. FY 2017-18 has been a year where we have invested significantly in our capacity build-up and in this regard, I am extremely pleased to inform you that your Company has recently announced the setting up of a new BOPET line and Metallizer plant in Hungary at an approximate investment of Euro 60 million. Europe's imports of BOPET films is significant and our large customer base will help us generate traction as a local supplier.

Your Company, as a part of its CSR, continues to engage with its communities and work on some of society's most pressing issues. SRF Foundation took concrete steps in compliance with Section 135 of the Companies Act, 2013 during FY 2017-18 and expanded its work in the identified areas of education, vocational skills, natural resource management and affirmative action on a sustainable basis.

Summing up, I believe your Company has maintained its growth momentum last year setting new records of performance and operational excellence. Given the present economic indications and the plans developed for the future, I am confident that your Company will continue to better its performance in the coming years.

I would like to express our gratitude for your confidence in us. I would also acknowledge the unfailing support of our extended family of customers, dealers, suppliers, financial institutions and partners, which has been a major source of inspiration to your Company. Finally, my sincere gratitude to the employees of SRF who make these dreams come true.

Sincerely,



Arun Bharat Ram
Chairman

Board of Directors

Arun Bharat Ram
Chairman

Ashish Bharat Ram
Managing Director

Kartik Bharat Ram
Dy. Managing Director

Pramod G. Gujarathi
Director (Safety & Environment)

Dr. Meenakshi Gopinath
Director – CSR

Lakshman Lakshminarayan

Vinayak Chatterjee

Vellayan Subbiah

Tejpreet S Chopra

Pramod Bhasin

Company Information

Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants

CFO & Company Secretary

Anoop K Joshi

Bankers

- ICICI Bank
- State Bank of India
- Standard Chartered Bank
- Citibank NA
- DBS Bank
- HDFC Bank
- Kotak Mahindra Bank
- HSBC
- Axis Bank
- Yes Bank
- Bank of Tokyo Mitsubishi UFJ Ltd.
- Sumitomo Mitsui Banking Corporation
- Barclays Bank
- IDFC Bank

Registered Office

(CIN: L18101DL1970PLC005197)
Unit Nos. 236 & 237, 2nd Floor, DLF Galleria, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extension
Delhi - 110 091
Tel: +91-11- 49482870
Email: info@srf.com Website: www.srf.com

Corporate Office

Block - C, Sector - 45, Gurugram - 122 003,
Haryana, India

Chemicals and Polymers Business : Plants

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

Technical Textiles Business : Plants

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

Packaging Films Business : Plants

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

SRF Limited

(CIN: L18101DL1970PLC005197)
Regd. Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, Delhi – 110091
Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500
Email: info@srf.com website: **www.srf.com**

NOTICE

Notice is hereby given that the **47th Annual General Meeting** of SRF Limited will be held on **Tuesday, August 7, 2018** at 11.00 a.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 to transact the following businesses: -

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2018 along with the Reports of the Auditors' and Board of Directors' thereon.

2. To appoint a Director in place of Dr. Meenakshi Gopinath (DIN 00295656), who retires by rotation and being eligible, offers herself for re-election.

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

   Appointment of Statutory Auditors of the Company

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. BSR & Co. LLP, Chartered Accountants, New Delhi (Registration No. 101248W/W-100022) be and is hereby appointed as Statutory Auditors of the Company, upon completion of the term of appointment of the erstwhile Statutory Auditor M/s. Deloitte Haskins & Sells, Chartered Accountants, New Delhi (Registration No. 015125N) under the Companies Act, 2013, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 52nd Annual General Meeting at such remuneration plus taxes as applicable and reimbursement of out-of pocket expenses in connection with the audit as may be mutually agreed between the Board of Directors and the Statutory Auditors."

Special Business

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

   Ratification of Remuneration of Cost Auditors for financial year 2018-19

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co. (Membership No. 17321)	Technical Textiles Business and Engineering Plastics Business	₹ 3.78 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Films Business	₹ 5.25 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses

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

   Re-appointment of Vinayak Chatterjee (DIN 00008933) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Vinayak Chatterjee (DIN 00008933) Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years from April 1, 2019 to March 31, 2024, and whose office shall not be 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 Lakshminarayan Lakshman (DIN 00012554) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Lakshminarayan Lakshman (DIN 00012554) Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years for a term from April 1, 2019 to March 31, 2024, and whose office shall not be liable to retire by rotation."

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

   Re-appointment of Tejpreet Singh Chopra (DIN 00317683) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Tejpreet Singh Chopra (DIN 00317683) Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years for a term from April 1, 2019 to March 31, 2024, and whose office shall not be liable to retire by rotation."

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

   Re-appointment of Vellayan Subbiah (DIN 01138759) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Vellayan Subbiah (DIN 01138759) Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years for a term from April 1, 2019 to March 31, 2024, and whose office shall not be liable to retire by rotation."

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

   Re-appointment of Pramod Bhasin (DIN: 01197009) as an Independent Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Pramod Bhasin (DIN: 01197009) Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who in the opinion of the Board fulfills the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a period of 5 consecutive years for a term from April 1, 2019 to March 31, 2024, and whose office shall not be liable to retire by rotation."

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

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

    "**RESOLVED THAT** pursuant to the provisions of Sections 42 , 71, 179 and any other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board duly authorized by it in this regard in accordance with the applicable provisions of the said Act) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in or more series/tranches, aggregating upto ₹ 500 Crores (Rupees five hundred Crores), on private placement, on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and most beneficial to the Company including as to the timing of issue of such Debentures, the consideration for the issue, the utilisation of the issue proceeds and all other matters connected with or incidental thereto;

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

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

    Borrowing of monies in excess of aggregate of paid up share capital and free reserves

    "**RESOLVED that** in supersession of the special resolution adopted at the 43rd Annual General Meeting held on August 04, 2014 under the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, consent of the members be and is hereby accorded to the Board of Directors (which term shall include any committee thereof) to borrow monies in terms of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, notwithstanding that the aggregate borrowings (apart from temporary loans from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital and free reserves, i.e., reserves not set apart for any specific purpose, provided, however, that the aggregate amount of monies which may be borrowed shall not exceed ₹ 4000 Crores at any point of time."

BY Order of the Board of Director

Anoop K Joshi
President, CFO
& Company Secretary
Membership No. F-4820

Date : May, 17, 2018
Place : Gurugram

NOTES

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

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

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

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

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 1, 2018 to Tuesday, August 7, 2018 (both days inclusive) for the purposes of holding the Annual General Meeting.

4. Members holding shares in physical form are requested to notify change in address and bank mandate, bank particulars, if any, under their signatures to **Karvy Computershare Private Limited**, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial Dist., Gachibowli, Nanakramguda, Seri Lingampally, Hyderabad - 500 032, Telangana, the Registrar & Share Transfer Agent (RTA), quoting folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.

5. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic mode are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in the physical form are requested to submit their PAN details to the RTA.

7. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2010-11, was transferred to the Investor Education & Protection Fund (IEPF) as at the end of year under review. Besides the dividend so transferred, company has also transferred relevant shares to the demat account of IEPF Authority, in accordance with the applicable provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed by a shareholder from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at www.iepf.gov.in. Details of the unpaid/ unclaimed dividend and shares transferred to IEPF from time to time also uploaded on the on the "Investors Section" of the website of the Company viz. www.srf.com.

   Members, who have not encashed their dividend pertaining to financial year 2011-12 onwards, are advised to write to the Company immediately for claiming the same.

8. 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, Gurugram-122 003 (Haryana) at least seven days before the date of the meeting so as to enable the management to keep the information ready.

9. **Voting through electronic Means**: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

   i) The Company has fixed Tuesday, July 31, 2018, as a cut -off date to record the entitlement of the shareholders to cast their vote electronically at the 47th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently, the same cut-off date i.e. Tuesday, July 31, 2018 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 47th AGM on August 7, 2018.

   ii) The remote e-voting period commences on Saturday, August 4, 2018 (10.00 AM IST) and ends on Monday, August 6, 2018 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, July 31, 2018, may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

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

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

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

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

Procedure for remote e-voting:

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

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

   ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) **AAAA** followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of **https://evoting.karvy.com** (Karvy Website) or contact B. Venkata Kishore (**Unit: SRF Limited**) of Karvy Computershare Private

Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at **evoting@karvy.com** or phone no. 040–6716 1585 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

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

c. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Tuesday, July 31, 2018, he/she may obtain the User ID and Password in the manner as mentioned below :

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

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

   Example for NSDL:

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

   Example for CDSL:

   MYEPWD <SPACE> 1202300012345678 (16 DIGITS NUMERIC)

   Example for Physical:
   MYEPWD <SPACE> XXXX1234567890 (EVEN NO. + FOLIO NO.)

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

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

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

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

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

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

11. Electronic copy of the Annual Report along with Notice of 47th Annual General Meeting are being sent to all the members holding shares in demat form and whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies are being sent in the permitted mode.

12. The Notice of the 47th Annual General Meeting and the Annual Report for FY 2017-18 will also be available on the Company's website www.srf.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making

a request for the same, by post free of cost. For any communication, the shareholders may also send requests to einward.ris@karvy.com.

13. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.

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

15. Members are requested:

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

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

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

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

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

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

Item No. 2

Dr. Meenakshi Gopinath (68) is a Director (CSR) liable to retire by rotation.

In compliance with the requirements of Section 152 of the Companies Act, 2013, Dr Meenakshi Gopinath shall, retire at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. Accordingly, the Board recommends her re-appointment.

Dr. Meenakshi Gopinath is an eminent educationist having vast experience in the field of education and woman empowerment. She is Principal Emerita of Lady Sri Ram College, New Delhi.

Dr. Meenakshi Gopinath is Founder and Director of WISCOMP (Women in Security, Conflict Management and Peace), an initiative that seeks to promote the leadership of South Asian women in the areas of peace, security and regional cooperation. She was the first woman to serve as member of the National Security Advisory Board (NSAB) of India. After graduating with Honours in Political Science from Lady Shri Ram College for Women, New Delhi, she took her Masters degree from the University of Massachusetts, USA and her doctorate from the University of Delhi. Her post-doctoral work, as a Fulbright scholar was at Georgetown University, USA.

In recognition of her contribution to the field of women's education and empowerment, she has received several awards including the Padma Shri Award, Indira Priyadarshini Gandhi Award, the Rajiv Gandhi Award for Excellence in Education, Mahila Shiromani Award, Delhi Citizen Forum Award, Qimpro Platinum Standard Award for Education and Celebrating Womanhood, South Asian Recognition Award for Social Harmony and International Lifetime Achievement Award – 2009 for outstanding work in the field of justice, Equity, Peace and Progress and various others. She serves on the Boards of several educational institutions and think tanks like The Centre for Policy Research , New Delhi and the UN mandated University of Peace, Costa Rica among others.

Dr. Meenakshi Gopinath has no shareholding in the Company.

Dr Meenakshi Gopinath is Chairperson of CSR Committee of the Board. She is Designated Partner in Mediart Films LLP.

Except Dr Meenakshi Gopinath, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2019 at the remuneration as provided in the resolution.

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

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval by the members.

Item Nos. 5 to 9

The Company had, pursuant to the provisions of Listing Regulations and Companies Act 2013, appointed Vinayak Chatterjee, Lakshminarayan Lakshman, Tejpreet Singh Chopra, Vellayan Subbiah and Pramod Bhasin as Independent Directors for a term of five years ending on March 31, 2019.

The Board has recommended the re-appointment of these directors as Independent Directors for a second term of 5 years from April 1, 2019 to March 31, 2024.

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

Copies of the draft letters for re-appointment of Independent Directors would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday .

In compliance with the provisions of section 149 read with Schedule IV of the Act, the re-appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A brief profile of the Independent Directors to be re-appointed is given below:

Vinayak Chatterjee (58) 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 co-founded Feedback Infra in 1990.Feedback Infra is India's leading provider of professional and technical services in the infrastructure sector. These services include Advisory, Planning & Engineering, Project Management and Operations & Maintenance provided by a team of around 9000 professionals, predominantly engineers and MBAs from India's top schools.

Mr. Chatterjee is often called upon to play a strategic advisory role to leading domestic and international corporates, the Government of India, various Ministries dealing with infrastructure, as well as multilateral and bilateral institutions in the areas of infrastructure planning and implementation. He is one of the leading proponents of the Public-Private Partnership (PPP) model for developing India's infrastructure.

He is currently the Chairman of the Confederation of Indian Industry's (CII) "Economic Affairs Council"; and has chaired various Infrastructure and related Committees at the national level of CII since 2001.

Vinayak Chatterjee is a member of the Stakeholders Relationship Committee and Chairman of Nomination and Remuneration Committee and Audit Committee of the Board and has no shareholding in the Company.

Details of his other Directorship and committee membership are as follows:

Directorships in other companies	Committee Membership
1. Apollo Hospitals Enterprises Limited	1. Investment Committee 2. Risk Management Committee
2. KEC International Limited 3. Indraprastha Medical Corporation Limited 4. Feedback Energy Distribution Limited 5. Mission Holdings Private Limited, 6. Feedback Infra Private Limited, 7. Feedback Highways OMT Private Limited, 8. Feedback Power Operations & Maintenance Services Private Limited	Nil

Except Vinayak Chatterjee, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Tejpreet Singh Chopra (48) did his B.A. (Hons) in Economics from St. Stephen's College, Delhi University, and an MBA from Cornell University, U.S.A. Tejpreet Singh Chopra is the Founder, President & CEO of Bharat Light & Power. Bharat Light & Power is a clean energy generation company focussed on utility scale wind and solar projects, and distributed solar. One of the group company is a technology services company. The company has developed an advanced AI based IOT platform called Orion. Orion provides predictive intelligence in order to improve machine performance, and transform manufacturing.

Mr. Chopra's 24 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. In his last role he was the CEO of GE India, Sri Lanka & Bangladesh. Mr. Chopra is involved in various industry associations. He is a member of the National Council of the Confederation of Indian Industry (CII), was The Chairman of the American Chamber of Commerce in India (AMCHAM), and was on the Board of Directors of the U.S. - India Business Council (USIBC). He is a Young Global Leader of the World Economic Forum (WEF) and on the WEF YGL Foundation Board. He is also an Aspen Institute Fellow.

Mr. Chopra is Chairman of the Stakeholders Relationship Committee and Member of Nomination and Remuneration Committee and has no shareholding in the Company.

Details of his other Directorship and committee membership are as follows:

Directorships in other companies	Committee Membership
1. Gujarat Pipavav Port Limited	1. Nomination and Remuneration Committee 2. Stakeholders Relationship Committee
2. Genesis Color Limited	1. Nomination and Remuneration Committee* 2. Audit Committee
3. Bharat Light & Power Private Limited, 4. BLP Clean Energy Private Limited, 5. BLP Reneweable Energy Private Limited, 6. BLP Vaayu (Project 1) Private Limited, 7. Genesis Luxury Fashion Private Limited, 8. BLP Wind Project (Amberi) Private Limited	Nil

*Chairman of the Committee

Except Tejpreet Singh Chopra, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Lakshminarayan Lakshman (71) is a Mechanical Engineer from the PSG college of Technology, University of Madras and an alumnus of London Business School, UK.

Mr. Lakshman had been spearheading the business of different companies in Rane Group and has more than 47 years of industrial experience. Currently he is an Executive Chairman of Rane Holdings Limited, an apex Company of Rane Group, an acknowledged leader in the auto component industry. Mr. Lakshman steered the Rane group during a challenging and very exciting phase in the automobile industry's evolution and transformation in India.

As President, Madras Chamber of Commerce & industry, ASSOCHEM, Federation of Chamber of Commerce, Lakshminarayan Lakshman has been an active member in various industry forums.

Keeping in view the vast experience of Mr. Lakshman in the manufacturing industry and his business acumen due to which he can provide able guidance to the Board and its Committees in their discussions and deliberations, the Board do recommend his reappointment for a second term of 5 years.

Lakshminarayan Lakshman is Member of the Audit Committee and CSR Committee and has no shareholding in the Company. Details of his other directorship and committee membership are as follows

Directorships in other companies	Committee Membership
1. Rane Holdings Limited	CSR Committee*
2. Rane (Madras) Limited	1. Audit Committee 2. Nomination and Remuneration Committee 3. Stakeholders Relationship Committee* 4. CSR Committee*
3 Rane Engine Valve Limited	1. Audit Committee* 2. CSR Committee* 3. Nomination and Remuneration Committee
4. Rane Break Lining Limited	CSR Committee*
5. DCM Limited	Audit Committee
6. Rane TRW Steering Systems Private Limited	1. CSR Committee* 2. Audit Committee
7. Rane NSK Steering Systems Private Limited	1. CSR Committee* 2. Audit Committee

*Chairman of the Committee.

Except Lakshminarayan Lakshman, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Vellayan Subbiah (48) is B.Tech (Civil) from I.I.T, Chennai & M.B.A from University of Michigan.

He has rich experience of over 24 years at different positions across various industries viz. technology, projects and financial services. Since August 2017, he is the Managing Director of Tube Investments of India Limited. He has worked with McKinsey and Company, 24/7 Customer Inc. and Sundram Fasteners Ltd. He was a recipient of the Extraordinary Entrepreneur of the Year - TiECON 2014 Award. He was the Managing Director of Laserwords Private Ltd from 2007-10 and of Cholamandalam Investment and Finance Company Limited from 2010-17.

Mr. Subbiah is Member of the Audit Committee and Nomination and Remuneration Committee and holds 13,407 equity shares of the Company.

Details of his other directorship and committee membership are as follows-

Directorships in other companies	Committee Membership
1. Tube Investment of India Limited (Managing Director) 2. Havels India Limited 3. Ambadi Investments Ltd 4. Cherry Tin Online Private Limited	Nil

Except Mr. Subbiah, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Pramod Bhasin (66) is a Chartered Accountant from Thomson McLintock & Co., London, and holds a Bachelor of Commerce degree from Delhi University.

Pramod Bhasin is recognized as a pioneer of BPO industry in India, having set up Genpact, the Business Process Outsourcing arm of GE, in 1997.

Pramod Bhasin was earlier an Officer of General Electric (GE). His career with GE and RCA spanned 25 years across the US, Europe and Asia. He was recently the head of GE Capital in India and in Asia, having earlier worked with GE Capital's Corporate and Finance Group in Stamford, Connecticut, USA.

He served 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 other directorship and committee membership are as follows-

Directorships in other companies	Committee Membership
1. DLF Limited	1. Audit Committee 2. CSR Committee
2. New Delhi Television Limited	Audit Committee
3. Vishwas Vision for Health Welfare and Special Needs 4. Skills Academy Private Limited 5. Inception Advisory Private Limited 6. International Foundation for Research and Education, 7. Clix Finance India Private Limited 8. Asha Impact Advisory Services Private Limited	NIL

Except Mr. Bhasin, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Item No. 10

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

In order to provide for resources for financing of increased capital expenditure requirements, re-financing of existing debt, general corporate purposes and such other purposes of the Company as are allowed by the applicable laws, the Company may be required to offer or invite subscription for secured/ unsecured redeemable non-convertible debentures, in one or more series/ tranches on private placement.

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

Approval of the Members by way of a special resolution is sought for the resolution as set out at Item No. 10 of this Notice authorising the Board to issue redeemable, non-convertible Debentures by Private Placement for an aggregate amount not exceeding ₹ 500 Crores, in one or more tranches, during the period of one year from the date of this Annual General Meeting.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution. The Board of Directors recommends the Special Resolution set out at Item No. 10 of the Notice for approval of the members.

Item No 11

At the 43rd Annual General Meeting of the Company held on August 4, 2014, the Members had, by way of Special Resolution and in pursuance of the provisions Section 180(1)(c) of the Companies Act, 2013, approved borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of ₹ 3,000 Crores at any point of time.

In order to provide financing for the increased capital expenditure requirements, re-financing of existing debt, general corporate purposes and such other purposes of the Company as are allowed by the applicable law, it is proposed to enhance the limit approved under the provisions of Section 180(1)(c) of the Act above from ₹ 3000 Crores to ₹ 4000 Crores.

The approval of the Members authorizing the Board for the borrowings, as set out at Item No. 11 of this Notice is therefore being sought, by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of the Resolution.

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

Re-appointment of Dr. Meenakshi Gopinath as Director (Item No 2)

For details of Dr. Meenakshi Gopinath please refer to the above explanatory statement in respect of ordinary business set out at Item No. 2.

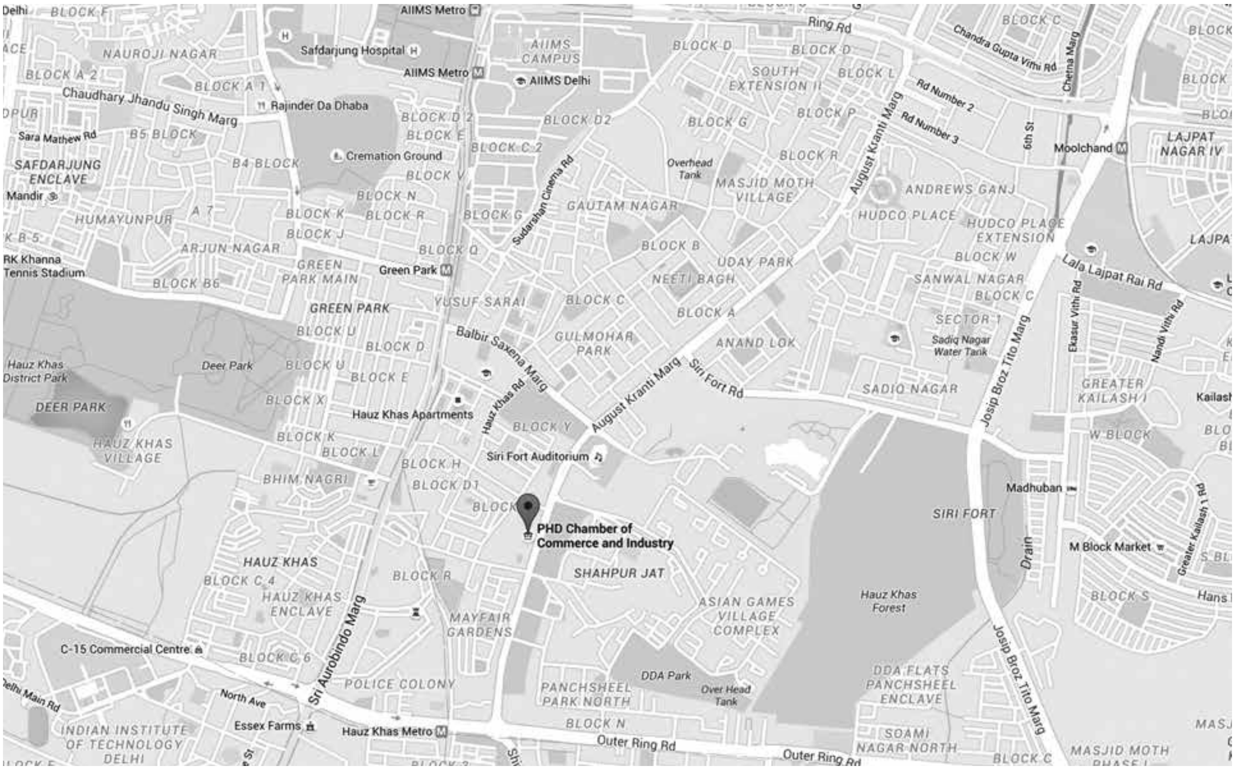
Re-appointment of Vinayak Chatterjee, Lakshminarayan Lakshman, Tejpreet Singh Chopra, Vellayan Subbiah and Pramod Bhasin as Independent Directors (Item Nos. 5 to 9)

For details of Vinayak Chatterjee, Lakshminarayan Lakshman, Tejpreet Singh Chopra, Vellayan Subbiah and Pramod Bhasin please refer to the above explanatory statement in respect of special business set out at Item Nos. 5 to 9.

IMPORTANT COMMUNICATION TO MEMBERS

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

Route map of the venue of 47th Annual General Meeting of SRF Limited to be held on Tuesday, August 7, 2018 at 11.00 a.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016



Board's Report

Dear Members,

Your Directors are pleased to present the 47th Annual Report for the year ended March 31, 2018.

Financial Results

(₹ in Crores)

Particulars	2017-18	2016-17
Revenue from operations	**4,677.93**	4,197.82
Other income	**103.80**	46.11
Total Income	**4,781.73**	4,243.93
Profit Before Interest, Depreciation & Tax (PBIDT)	**888.72**	867.58
Less: Interest & Finance Charge	**97.97**	77.53
Gross Profit	**790.75**	790.05
Less: Depreciation and amortisation charge	**278.11**	241.98
Profit Before Tax (PBT)	**512.64**	**548.07**
Less: Provision For Taxation including Deferred Tax Charge	**106.98**	129.25
Profit After Taxation (PAT)	**405.66**	**418.82**
Add: Profit Brought Forward	**2,276.88**	1,941.40
Total	**2,682.54**	2,360.22

Appropriation

(₹ In Crores)

	2017-18	2016-17
Interim dividend on Equity Shares	**68.90**	68.90
Corporate Tax on Dividend	**14.03**	14.03
Other comprehensive income arising from remeasurement of defined benefit obligation	**0.56**	0.41
Amount transferred to Debenture Redemption Reserve	**75.00**	-
Profit carried to Balance Sheet	**2,524.05**	**2,276.88**

Equity Dividend

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

Operations Review

Total revenue from operations of the Company on standalone basis increased by 11.44 per cent from ₹ 4197.82 Crores in 2016-17 to ₹ 4677.93 Crores in 2017-18 mainly due to increase in revenue from operations, the profit before interest, depreciation and tax (PBIDT) including 'other income' on a standalone basis increased from ₹ 867.58 Crores in 2016-17 to ₹ 888.72 Crores in 2017-18.

Profit before tax (PBT) on a standalone basis decreased by 6.46 per cent from ₹ 548.07 Crores in 2016-17 to 512.64 Crores in 2017-18. After accounting for the provision for taxation of ₹ 106.98 Crores, profit after tax (PAT) on a standalone basis decreased by 3.14 per cent from ₹ 418.82 Crores in 2016-17 to ₹ 405.66 Crores in 2017-18.

Management Discussion and Analysis

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

Business Responsibility Report

As stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective has been prepared for 2017-18 and forms a part of the Board's Report. However, as a green initiative the Business Responsibility Report for 2017-18 has been hosted on the website of the company at http://www.srf.com/investor-relations/investors.html#reports and shareholder who wants to obtain a physical copy of the same may send a request to the Company at its registered office.

Subsidiaries, Joint Ventures and Associate companies

As on March 31, 2018, your Company had 5 (five) wholly owned subsidiary companies whereby 1 (one) wholly owned subsidiary company is registered in India and remaining 4 (four) are registered outside India. 2 (two) of these are direct wholly owned subsidiaries and rest 3 (three) are step-down wholly owned subsidiaries. The consolidated profit and loss account for the period ended March 31, 2018 includes the profit and loss account for these 5 (five) wholly owned subsidiaries for the complete Financial Year ended March 31, 2018.

These subsidiaries are:-

1. SRF Global B.V. is a wholly owned subsidiary of the Company incorporated in the Netherlands. This entity is an SPV formed for the purpose of holding investments and mobilizing funds for the 3 (three) step-down subsidiaries of the Company.

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

3. SRF Flexipak (South Africa) (Pty) Ltd.(a wholly owned subsidiary of SRF Global BV) is incorporated

in South Africa engaged in manufacture and distribution of packaging films.

4. SRF Industex Belting (Pty) Ltd. (a wholly owned subsidiary of SRF Global BV) is incorporated in South Africa and was engaged in the business of manufacture and distribution of belting fabrics which business was wound up during the year. This Company is exploring the possibility to enter into the business of trading in refrigerant gases in South Africa and other neighboring countries.

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

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

No subsidiaries were divested during the year. No company has become/ceased to be a joint venture or associate during the year. A report on performance and financial position of each of the subsidiaries and associates is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report at page no. 236. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: http://www.srf.com/pdf/2014%20(10)%2028%20-%20Policy%20on%20material%20subsidiary%20companies%20-%20v2%20-%20Oct14.pdf

SRF Europe Kft has been incorporated in Hungary as a wholly owned subsidiary of SRF Global BV on 25th April 2018 to undertake the manufacture of packaging films in Hungary.

The Company shall make available the annual accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and of respective subsidiary companies. Further, the annual accounts of the subsidiaries are also available on the website of the Company viz. www.srf.com.

Directors & Key Managerial Personnel

Dr Meenakshi Gopinath, (Director CSR) is retiring by rotation and being eligible, offers herself for re-appointment.

The Members of the Company at the 43rd Annual General Meeting held on August 4, 2014 had appointed Vinayak Chatterjee, Lakshminarayan Lakshman, Tejpreet Singh Chopra, Vellayan Subbiah and Pramod Bhasin as Independent Director(s) of the Company, whose terms are due to expire on March 31, 2019.

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

The Board has recommended the proposal for reappointment of Vinayak Chatterjee, Lakshminarayan Lakshman, Tejpreet Singh Chopra, Vellayan Subbiah and Pramod Bhasin for approval of the shareholders through special resolution(s) for a further period of 5 years w.e.f. 01.04.2019 to 31.03.2024.

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act and the Listing Regulations.

Sushil Kapoor, President & CEO (Technical Textiles Business), who has been appointed as a Key Managerial Personnel by the Board, retired on 30.09.2017. Sanjay Chatrath was appointed as President & CEO (Technical Textiles Business) and designated as a Key Managerial Personnel wef 01.10.2017.

During the year, Prashant Mehra , President & CEO (Packaging Film Business), who has been appointed as a Key Managerial Personnel, was redesignated as President & CEO (Packaging Films Business, Laminated Fabrics & Coated Fabrics) and Anurag Jain, President & CEO (Specialty Chemicals Business), who has been appointed as a Key Managerial Personnel, was redesignated as President & CEO (Specialty Chemicals Business & Chemicals Technology Group).

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

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

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

During the year 2017-18, five meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 66 of this Annual Report.

Directors' Responsibility Statement

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

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

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

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

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

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

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

Contracts and Arrangements with Related Parties

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

Your Directors draw attention of the members to Note 33 to the notes to accounts forming part of the financial statements which sets out related party transaction disclosures.

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

Particulars of loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan or guarantee or security was proposed to be utilised by the recipient are provided in the standalone financial statement (Please refer to Note 39(d) of Additional Disclosures forming part of the standalone financial statement).

Corporate Social Responsibility (CSR)

As per the requirements of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee comprising of Dr. Meenakshi Gopinath, Director (CSR) (Chairperson of the Committee), Kartik Bharat Ram, Deputy Managing Director and Lakshman Lakshminarayan, Independent Director as other members.

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

The CSR Policy may be accessed on the Company's website at the link http://www.srf.com/pdf/2015%20(05)%2011%20-%20SRF%20-%20CSR%20Policy%20-%20Board%20approved.pdf

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

During the year, the Company has spent ₹ 5.00 Crores on CSR activities. The amount of CSR obligation under the Companies Act, 2013 was ₹ 9.56 Crores. Annual Report on CSR activities is annexed herewith as Annexure II.

Risk Management

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

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

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

Internal Financial Controls

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

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

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

Significant features of these control systems include:

- the planning system that ensures drawing up of challenging goals and formulation of detailed strategies and action plans for achieving these goals.
- the risk assessment system that accounts for all likely threats to the achievement of the

plans, and draws up contingency plans to mitigate them.

- the review systems track the progress of the plan and ensure that timely remedial measures are taken, to minimise deviations from the plan.

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

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

Listing of Equity Shares

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

SRF Limited Long term Share based Incentives Plan, 2018

During this year, the Board had approved SRF Limited Long Term Share Based Incentives Plan, 2018 ("the Plan") for grant of upto 3,00,000 equity shares and approached the shareholders for seeking their approval to the said Plan by way of special resolutions through postal ballot. The shareholders had accorded their approval through postal ballot on 26th March, 2018. Nomination and Remuneration Committee at its meeting held on 17th May, 2018 had recommended to the Board for issuance of 60,000 equity shares to the eligible employees as identified by the Committee and the Board had decided to issue the said equity shares to those employees under Part B-SRF ESPS 2018 of the Plan. The Company shall approach BSE Ltd. and The National Stock Exchange of India Ltd. seeking in principle approval for the listing of the shares to be issued under the Plan. The disclosures mandated by the applicable SEBI regulations and Companies Act, 2013 shall be made from time to time.

Dividend Distribution Policy

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

Corporate Governance

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

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

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

Consolidated Financial Statement

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

Audit Committee

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

Accounts and Audit

The term of appointment of M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 015125N), Statutory Auditors will expire on the conclusion of forthcoming 47th Annual General Meeting.

It is proposed to appoint BSR & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) as Statutory Auditors for 5 years from the forthcoming annual general meeting till the conclusion of 52nd annual general meeting. Their appointment shall be as per the provisions of the Companies Act, 2013 and rules made thereunder. They have submitted their certificate to the effect that they fulfil the requirements of Section 141 of the Companies Act, 2013.

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

Vigil Mechanism

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

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

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 relevant products audited by a cost auditor.

M/s. H. Tara & Co., Cost Accountants, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2018-19 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, was appointed to conduct cost audit of the accounts maintained by the Company for the financial year 2018-19 in respect of all the relevant product groups of Chemicals Business and Packaging Films Business of the Company.

M/s. H. Tara & Co., Cost Accountants, was nominated as the Company's Lead Cost Auditor.

The remuneration of the cost auditors for financial year 2018-19 is subject to ratification by the shareholders. Accordingly a suitable item has been included in the notice of the ensuing annual general meeting.

The Cost Audit reports for audit of the said products for the financial year 2016-17, conducted by M/s. H. Tara, Cost Accountants (M. No. 17321) and M/s Sanjay Gupta & Associates, Cost Accountants (M. No. 18672), have been filed with the Ministry of Corporate Affairs on 4th September, 2017. The due date for filing was 7th September 2017.

Secretarial Auditor

The Board has appointed M/s Sanjay Grover & Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Personnel

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

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

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

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

Extract of Annual Return

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

Industrial Relations

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

Secretarial Standards

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

General

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

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

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, one complaint was received and the same has been disposed off in accordance with the requirements of the Act.

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

Arun Bharat Ram
Chairman
(DIN – 00694766)

Date: May 17, 2018
Place: Gurugram

Annexure I to Board's Report

Nomination, appointment and remuneration policy

A. Introduction

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

B. Definitions

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

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

C. Terms of Reference

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

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

D. Criteria for recommending a person to become Director

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

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

2. Attributes/Qualities
   The incumbent Director shall possess one or more of the following attributes/qualities :-
   - Respect for and strong willingness to imbibe the Company's Core Values.
   - Honesty and Professional integrity.
   - Strategic capability with business vision.
   - Entrepreneurial spirit and track record of achievement.
   - Ability to be independent.
   - Capable of lateral thinking.
   - Reasonable financial expertise.
   - Association in the fields of business / corporate world / Finance / education / community service / Chambers of Commerce & industry.
   - Effective review and challenge to the performance of management.

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

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

E. Directors' Remuneration

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

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

F. Evaluation

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

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

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

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

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

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

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

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

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

G. Board Diversity

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

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

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

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

Remuneration Structure

i) Key Managerial Personnel, Senior Management Personnel, Functional Heads

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

ii) Other Employees

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

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

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the respective reporting managers/HODs of various departments as ratified by Business Leadership Teams/Corporate Leadership Team (as applicable). Decision on Annual

Increments shall be made on the basis of this appraisal. The remuneration would be benchmarked intermittently with a basket of identified companies comparable to SRF.

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

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

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

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

Annexure - I

Performance Evaluation of Executive Directors

Name of Director :

Type of Directorship : Executive Director

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

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

Name of Director : ....

Signature : ....

Date & Place : ....

Annexure - II

Performance Evaluation of Independent Directors / Non-Executive Directors

Name of Director :

Type of Directorship : Independent Directors / Non-Executive Director

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

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

Name of Director: ____________________

Signature: ____________________

Date & Place: ____________________

Annexure – III

Criteria for evaluation of the board of directors

A:

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

B:

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

For and on Behalf of the Board

Arun Bharat Ram
Chairman
(DIN – 00694766)

Date: May 17, 2018
Place: Gurugram

Annexure II to the Board's Report

Annual report on CSR for the financial year ended March 31, 2018

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

   As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas for the year 2017-18 :-

   - **Promotion of Education**: Improving Quality of Education and Developing School infrastructure of Govt. Schools.
   - **Employment enhancing vocational skills** : Focusing on imparting appropriate skills as per the market and industry needs and providing a platform to the youth trained to be gainfully self-employed or linking them with potential employers to increase their employability and livelihood;
   - **Ensuring Environmental Sustainability :** Plantation, maintenance of paals, recharging ground water etc.
   - **Art and Culture**: Lecture cum demonstration session on classical music, dance, folk form, craft, yoga, heritage, nature walk, Indian Philosophy etc.
   - **Rural Development**: Construction of community shed, village roads / community assets / Village development activities etc

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

2) The Composition of the CSR Committee
   Dr. Meenakshi Gopinath, (Chairperson)
   Kartik Bharat Ram, (Member)
   L. Lakshman, (Member)

3) Average Net Profit of SRF Ltd for last three financial years
   Net profit for the year:-
   2016 - 17: ₹ 551.19 Crores
   2015 - 16: ₹ 509.69 Crores
   2014 - 15: ₹ 373.55 Crores
   Average Net Profit: ₹ 478.14 Crores
   2% of Avg. Net Profit: ₹ 9.56 Crores (approx.)

4) Prescribed CSR Expenditure - ₹ 9.56 Crores (approx.)
5) Details of CSR Spent during the financial year
   a. Total Amount budgeted to be spent for the financial year - ₹ 9.60 Crores
   b. Amount unspent, if any - ₹ 4.60 Crores
   c. Manner in which the amount spent during the financial year is detailed below :-

(₹ in Crores)

S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or Programs 1.Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs / project Sub- heads : 1.Direct expenditure on projects or programs 2.Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
a.	School Education	Cl. (ii) Promoting Education	Local Area Mewat (Haryana); Kashipur, Pantnagar (Uttrakhand); Dhar, Gwalior, Bhind (Madhya Pradesh); Bhiwadi (Rajasthan); Bharuch (Gujarat); Pudukottai, Chennai and Thiruvallur (Tamil Nadu)	4.35	3.95	3.95	Implementation Agency – SRF Foundation
b.	School Education	Cl. (i) Promoting Education (Mid-Day-Meal)	Bharuch (Gujarat)	4.10	0	0	Implementing Agency – SRF Foundation in association with Akshaya Patra Foundation
c.	Vocational Skills	Cl. (ii) Employment Enhancing Vocational Skills	Local Area Mewat (Haryana), Manali, Pudukottai (Tamil Nadu)	0.25	0.24	0.24	Implementing Agency – SRF Foundation
d.	Natural Resource Management	Cl. (vi) Ensuring Environmental Sustainability	Local Area Bhiwadi (Rajasthan)	0.15	0.12	0.12	Implementation Agency – SRF Foundation in association with SPACE
e.	Rural Development	Cl. (x) Rural Development	Local Area (Bhiwadi (Rajasthan) and Dahej (Gujarat)	0.10	0.03	0.03	Implementing Agency – SRF Foundation
f.	Art & Culture	Cl. (VIII) Art & Culture	In college/school auditorium of Tamil Nadu, Madhya Pradesh, Gujrat & Delhi NCR	0.50	0.50	0.50	Implementing Agency – SRF Foundation through Spic -Macay
g.	CSR Capacity Building & Overheads			0.15	0.16	0.16	
	Total			**9.60**	**5.00**	**5.00**	

Details of Implementing Agency: SRF Foundation, Year of Establishment – 1982, Founder – SRF Ltd. Director – Dr. Y. Suresh Reddy

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

CSR Committee had approved a budget of ₹ 9.60 Crores (2% of the average net profits for the last three years (approx.) for 2017-18.

However, out of the above budget an amount of ₹ 5.00 Crores could only be spent details of which are given above. The balance of ₹ 4.60 Crores could not be spent due to the following reasons :-

a) An amount of ₹ 4.10 Crores allocated to mid day meal programme in Bharuch, Gujarat (in vicinity of the plant of Chemicals Business at Dahej) which was to be implemented in association with The Akshaya Patra Foundation could not be utilised as the land for setting up of the kitchen and permission from the Government of Gujarat could not be obtained for reasons beyond our control.

b) An amount of ₹ 0.50 Crores allocated to different projects could not be utilized during the year because of variation in spending at various CSR locations.

7) An amount of ₹ 4.40 Crores which was provided to SRF foundation (Implementing Agency) in 2016-17 for CSR expenditure on the mid-day meal programme in Bharuch, Gujarat could not be utiliised due to the reason cited above. These funds would be utilised to CSR projects as may be approved by the CSR committee in future.

RESPONSIBILITY STATEMENT

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

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

	Sd/-	**Sd/-**
Date: May 17, 2018	**Ashish Bharat Ram**	**Dr. Meenakshi Gopinath**
Place: Gurugram	**Managing Director**	**Chairperson - CSR Committee**

Annexure III to the Board's Report

Independent auditor's certificate on corporate governance

TO THE MEMBERS OF
SRF LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated September 4, 2017.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of SRF Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

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

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Vijay Agarwal
Partner
Membership No. 094468

Place: Gurugram
Date: May 17, 2018

Annexure IV to the Board's Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31,2018

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

To,
The Members
SRF Limited
(L18101DL1970PLC005197)
The Galleria, DLF Mayur Vihar,
Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, New Delhi-110091.

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

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

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

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

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

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

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

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

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

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

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

(vi) The Company is engaged in manufacturing of –

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

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

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

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

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

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

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

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

We further report that during the audit period:

- Members of the Company in their Annual General Meeting held on 8 August 2017 approved the issue of redeemable unsecured/ secured non- convertible debentures on private placement basis upto the amount of ₹ 2,000,00,00,000/- (Two Thousand Crore Only).

- Member of the Company by way of Postal Ballot (Scrutinizer's Report dated March 28, 2018) approved:

- the SRF Long term Share based Incentives Plan and its implementation through direct issue and allotment to the employees of the Company, its holding or subsidiary Company;

- the grant of options and / or shares of the Company under SRF Long term Share based Incentives Plan to the employees of the Company, its Holding Company and Subsidiary Company by way of secondary acquisition;

- the authorization for Trust to subscribe/ acquire shares for and under the SRF Long term Share based Incentives Plan.

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

Sanjay Grover
Managing Partner
CP. No. 3850

New Delhi
May 17, 2018

Annexure V to the Board's Report

Details pertaining to remuneration as required under Section 197(12) of The Companies Act, 2013 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name	Age	Designation	Remu. (₹ In Crores)	Qualification	Exp. (In years)	DOJ - SRF Ltd	Last Employment
1	Arun Bharat Ram	78	Chairman	5.04	B.Sc (Indl Engg)	51	01-Apr-71	DCM Ltd
2	Ashish Bharat Ram	50	Managing Director	5.11	MBA	27	02-Sep-02	SRF Overseas Ltd
3	Kartik Bharat Ram	47	Deputy Managing Director	5.03	MBA	24	05-Jul-93	NA
4	Rajdeep Anand*	67	President Chemicals Technology Group	2.64	B.Tech	45	29-Mar-93	Chem Aides
5	Sushil Kapoor*	59	President & CEO (TTB)	1.93	B.Tech	35	01-Jul-82	DCM Ltd
6	Anurag Jain	46	President & CEO (SCB & CTG)	2.28	B. Tech & EPBM/ MBA	23	16-Sep-94	Indo Gulf Fertilizers & Chem. Corporation Ltd.
7	Prashant Mehra	46	President & CEO (PFB, LF & CF)	2.26	B.E. & MBA	22	07-Mar-96	NA
8	Prashant Yadav	49	President & CEO (EP & FCB)	2.25	PGCBM/MBA & B.Tech	26	21-Mar-94	Sythetics & Chemicals Ltd.
9	Anoop K Joshi	58	President, CFO & Company Secretary	1.65	FCA, FCS	34	10-Feb-86	Dass Gupta & Co.
10	Sanjay Chatrath	54	President and CEO (TTB)	1.41	B.Tech	32	07-Jun-85	NA
11	Ajay Chowdhury	51	President & CHRO	1.30	PGDM/MBA	27	08-Feb-10	Benifys HR Solutions
12	Sanjay Rao	47	Executive Vice President - Corporate IT & SSC	1.12	B.Tech/B.E.	25	27-Mar-95	Shriram Fertilizers & Chemicals Ltd
13	Debaprasad Bhattacharyya	53	Senior Vice President & Business Head - IYB & BF (India Operations)	1.04	B.Tech/B.E.	23	18-Sept-95	DuPont
14	Hari Kishore Singh	47	Executive Vice President & Head Global Operations & Business Excellence	1.08	B.Tech/B.E.	24	04-July-94	NA
15	Rahul Jain	43	Senior Vice President - Corporate Controller and Treasurer	1.06	CA	18	01-Dec-08	Jubilant Organosys Limited
16	Pramod Talegaon*	57	Head - Design	0.46	M.Tech/M.E.	33	01-Feb-18	GFL

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

*Employed for the part of the year.

For and on Behalf of the Board

Arun Bharat Ram
Chairman
(DIN – 00694766)

Date: May 17, 2018
Place: Gurugram

Annexure VI to the Board 's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) **(i) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and CEO during the financial year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:**

S. N.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2017-18 (₹/Crores)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Arun Bharat Ram Chairman	5.04	4.1%	140.0
2.	Ashish Bharat Ram Managing Director	5.11	7.1%	141.9
3.	Kartik Bharat Ram Deputy Managing Director	5.03	6.3%	139.6
4.	Dr. Meenakshi Gopinath Director (CSR)	0.15	0%	4.7
5.	Vinayak Chatterjee Non-Executive Director	0.13	3.1%	3.7
6.	Tejpreet S Chopra Non-Executive Director	0.12	1.7%	3.4
7.	Lakshman Lakshminarayan Non-Executive Director	0.11	7.0%	3.0
8.	Vellayan Subbiah Non-Executive Director	0.11	(6.7)%	3.1
9.	Pramod Bhasin Non-Executive Director	0.10	(4.0)%	2.7
10.	Pramod G Gujarathi* Director (Safety and Environment)	0.18	-	5.0
11.	Sushil Kapoor, President & CEO# (Technical Textiles Business)	1.93	49.6%	Not Applicable
12.	Prashant Mehra President & CEO (Packaging Films Business & LF & CF)	2.26	15.9%	Not Applicable
13.	Prashant Yadav President & CEO (Fluorochemicals and Engineering Plastics Business)	2.25	17.8%	Not Applicable
14.	Anurag Jain President & CEO (Speciality Chemicals Business & CTG)	2.28	16.9%	Not Applicable
15.	Anoop Joshi President, CFO & Company Secretary	1.65	(2.9)%	Not Applicable
16.	Sanjay Chatrath President & CEO (Technical Textiles Business)	1.41	15.6%	Not Applicable

* Appointed as Director (Safety and Environment) w.e.f. April 1, 2017

#Employed for part of the year

(ii) The median remuneration of employees of the Company as on March 31, 2018 was ₹ 0.036 Crores as compared to ₹ 0.034 Crores as on March 31, 2017. The increase in median remuneration was 5.88% as compared to 2016-17.

(iii) There were 5,833 permanent employees on the rolls of the Company as on March 31, 2018.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Category	Average Increase
Employees' remuneration (other than Directors)	**13%**
Managerial remuneration (Directors)	**5.58%**

The increase in managerial remuneration and remuneration of other employees is a function of many factors such as company performance, compensation philosophy, market competitiveness, local agreements with unions and the total number of employees. There were no exceptional circumstances in the increases in the managerial remuneration.

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

For and on Behalf of the Board

Arun Bharat Ram
Chairman
(DIN – 00694766)

Date: May 17, 2018
Place: Gurugram

A) Conservation of Energy

(i) Steps taken or impact on conservation of energy

1. **Technical Textiles Business, Kashipur**
   - Saved 17,640 Kwh / annum by installing VFD in Heating Cooling Pumping Systems at Calendering Line
   - Saved 45.79 Tons of FO /annum by redesigning Thermic Fluid Piping Circuit of Hot Lamination Process
   - Saved 15480 Kwh / annum by automating Electric Lighting System of Fabrication Bay
   - Saved 3,888 Kwh / annum by recycling treated STP effluent in cooling tower

2. **Technical Textiles Business, Manali**
   - Installation of 3 Energy efficient motors in Chiller water pump(37KW) - Energy saving- 147296 KWH/annum
   - Installation of LED street lights 12 (Nos) and SSM area LED tube lights: 66 (Nos) - Energy saving- 22075 KWH/annum
   - Air compressor power consumption reduction by installing high efficient compressor - Energy saving- 719400 KWH/annum
   - NY Spinning – Quench AHU 2(Nos) -Energy efficient blower replacement of old blower – Annualized saving- 120000KWH/annum

3. **Technical Textiles Business, Viralimalai**
   - Savings of 60648 units / annum by replacing the existing fluorescent type light fitting with energy efficient LED tube light fitting in Plant 1

4. **Technical Textiles Business, Gwalior**
   - Saving of 154,000 Kwh/annum through power conservation by installing LED light
   - Saving of 476,000 Kwh/annum by optimizing air conditioning in twisting area
   - Saving of 132,000 Kwh/annum by reducing air consumption in spinning
   - Saving of 12,200 Kwh/annum by reducing nitrogen consumption by optimizing process conditions
   - Saving of 105,000 Kwh/annum by replacement with energy efficient motors for UMW twisters
   - Saving of 140,000 Kwh/annum by replacement with energy efficient motors for air washer spray pumps
   - Saving of 246,000 Kwh/annum by modifying the operating philosophy of DG pumping system

5. **Technical Textiles Business, Gummidipoondi**
   - Saving of 427089 kWh/annum due to Air consumption reduction resulting in saving of ₹ 24.08 Lakhs
   - Savings of 22680 kWh/annum by Installation of VFD for RAF of Take-up AHU # 2 resulting in saving of ₹1.42Lakhs
   - Savings of 72 MT/annum of Husk by installation of Oxygen control system in Bio mass boiler resulting in savings of ₹ 3.47Lakhs
   - Savings of 16934 kWh/annum by replacement of V belts with Flat belts in T/W AHU-1 SAF resulting in savings of ₹ 1.06Lakhs
   - Savings of 70344 kWh/annum by Installation VFD for Twisting AHU # 2 SAF & RAF resulting in savings of ₹ 4.43Lakhs
   - Savings of 48m^3/day of water by minimizing water consumption resulting in savings of ₹ 3.33Lakhs/annum

- Savings by utilization of alternate fuel (Husk & Ground nut shell mixture) of ₹ 4.47 lakhs/annum
- Savings of 10.49kL of High speed diesel consumption by optimum utilization in DG resulting in savings of ₹ 5.91 Lakhs
- Savings of 703093kWh/annum by stopping of AHU's Fan & reduction in fan speed, resulting in saving of ₹ 39.65 Lakhs
- Saving of 18785 Kwh/Annum by providing local isolation for textile roll storage area lighting resulting in saving of ₹ 1.31 Lakhs
- Saving of 96387 Kwh/Annum by replacing LED lights resulting in saving of ₹ 5.07 Lakhs
- Commissioned 5MW Solar Power Plant which comprises 15,680 Polycrystalline Solar panels spread across an area of 25 acres of Plant land on 23rd December, 2017. Plant started generating the units from 23rd December, 2017 onwards and it is estimated to generate >20,000 units of clean energy every day . This project significantly reduces SRF dependence on grid power which is largely generated by thermal power plants, thereby reducing the carbon footprint of our operations.
- 20.24 Lakhs Kwh of solar renewable clean green energy generated in the FY 2017-18 resulting in elimination of 1720 tons of CO_2 emission.

6. Packaging Films Business, Indore (SEZ)

- Saved 1083600 KWH by installation of Hot Water Vapour Absorption Machine Chiller by heat recovery of Resin Plant
- Saved 1750000 KWH by Installation of Resin Plant Close Loop Cooling Tower for granulator cooling at higher throughput
- Saved 409442 KWH by installation of Variable Frequency Drives (VFD) for Line-2 TDO Blowers
- Additional Saving of 129600 KWH through Pet Coke Heater Vapour Absorption Machine Chiller after Heater Capacity enhancement

7. Packaging Films Business, Indore DTA

- Saved 520000 KWH by commissioning of Close Loop Cooling Towers for Chill Roll
- Saved 18250 KWH/Annum by Installing the Motion sensor for offices & photocell controller for outside area lights
- Saved 75600 KWH/Annum by installation of Variable Frequency Drives for Dryer, Crystalliser & Air Dryer Unit heating pumps to reduce the speed

8. Packaging Films Business, Kashipur

- Saved 71520 KWH in Utility by Installation of New Drives in Air Handling Units.
- Saved 40000 KWH by modifying the circuit of Close Loop Cooling Tower for best utilisation.
- Saved 2000 KWH by replacement of Florescent lights by LED lights

9. CB Bhiwadi

- Saving of 3.06 lac kWH electricity by installation of variable frequency drive in hot oil pump in RG plant.
- Saving of 92000 kWH electricity by installation of variable frequency drive in P535 pump in RG Plant.
- Saving of 714 kL HSD by reducing Hot Oil Generator fuel norm in RG Plant.
- Saving of 2931 MT Steam & 482400 kWH electricity by norm improvement in RG Plant.
- Saving of 64000 kWH electricity by installation and replacement of CFLs by LED lights.
- Saving of ₹ 240.89 Lac in Coal by installation of LP heater from second extraction in steam turbine.
- Saving of 1800KWh by installation of Solar street lights

- Saving of 85000 kWH electricity by replacement of centrifugal pump with PD pump
- Saving of 272.7 MT steam by conversion of spare oven into drum melter
- Saving of 11857 kWH electricity by installation and replacement of CFLs by LED lights

10. CB Dahej

- Saving of 118710 kWHr/month (₹ 65 lacs per annum) by reducing kW/TR in Chilling Plant.
- Saving of ₹ 516 lacs per annum by automation of PSA Nitrogen Plant
- Saving of 20016 kWHr /month (₹ 13 lacs per annum) in Air supply to HFC plant from P11/12 plant during plant shutdown
- Saving of 32208 kWHr /month (₹ 21 lacs per annum) in Air supply to AHF plant through common air network during plant shutdown
- Saving of 0.45 lac KWH/annum (₹ 2.25 lacs per annum) through Replacement of conventional lighting with energy efficient LED lighting
- Saving of 1.8 lac KWH/annum (₹ 9 lacs per annum) by using alternate Emergency power network in place of UPS in critical Drives
- Savings of ~6 lacs kWH (₹ 35 lacs per annum) by installation of higher capacity, more efficient pumps in cooling tower and stopping 4 pumps
- Savings of ~2.5 lacs kWH (₹ 15 lacs per annum) by modification in chilled water system to reduce chiller load
- Saving of ~6 lacs kWH (₹ 37 lacs per annum) by optimizing the Brine pump impeller sizes
- Savings of ~3 lacs kWH (₹ 17 lacs per annum) by switching off UPS in hot standby mode and by replacing CFLs by LEDs
- Savings of ~1 lac kWH (₹ 5.8 lacs per annum) by change in motor connection for under load motors

(ii) Steps taken by the company for utilising alternate sources of energy

Packaging Films Business, Kashipur

Saved 27.0 lakhs by procuring power through Open Access at IEX platform

(iii) The capital Investment on energy conservation equipment

a)	**Technical Textiles Business, Manali**	
	Description of Asset	**Amount (Crores)**
	Energy efficient motor for chilled water pump in utility	0.27
Total		**0.27**
b)	**Technical Textiles Business, Gummindipoondi**	
	Solar Power Plant	22.81
Total		**22.81**
c)	**Packaging Films Business, Indore SEZ**	
	Description of Asset	**Amount (Crores)**
	Close loop cooling towers for Resin Plant	0.84
	Hot Water Vapour Absorption Machine Chiller	1.31
	Installation of VFD for L-2 TDO Blowers	0.23
Total		**2.38**
d)	**Packaging Films Business, Indore DTA**	
	Description of Asset	**Amount (Crores)**
	Close loop-Cooling towers for Chill Roll	1.30
	Installation of Motion Sensors	0.04
	Installation of VFD for All D&C Pumps	0.02
Total		**1.36**

e)	CB Bhiwadi	
	Description of Asset	**Amount (Crores)**
	Installation of Variable frequency drives in FCB	0.05
	Installation of LP heater in steam turbine	0.37
	Installation of Solar Street Lights	0.04
Total		**0.46**

f)	CB Dahej	
	Description of Asset	**Amount (Crores)**
	Investment on utility system revamp and centralizingdata on a common SCADA	0.75
	Investment on LEDs	0.09
Total		**0.84**

(B) Technology Absorption

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

Specialty Chemicals Business

The Business is actively engaged in development of new molecules used as intermediates by our Pharmaceutical and Agrochemical customers. The R&D team focuses on innovation to develop processes that are cost effective and allows production to be scaled up to meet demand. Several molecules were developed by the Business for global innovators.

During the year the Business leveraged technology to enhance the existing product offering while continuing to develop more efficient processes for new opportunities as per the customers' requirement.

Some of the areas where technology has been absorbed in this period are:

- Developed new technology and explored novel chemistries for new age molecules
- Added and strengthened systems related to securing the Intellectual Property of the Business
- Focussed on automation to improve process stability and costs
- Technological learnings were deployed in the new projects, to enrich technological delivery

Benefits of technology absorption were realized this year and would continue to be realized during coming years on behest of the technological advancements, learnings and continuous process improvements.

Technical Textiles Business

The R&D centre of Technical Textiles Business is located at Manali, Chennai. Equipped with state-of-the-art Pilot facilities and sophisticated testing laboratories for evaluating Polymers, Fibers and fabrics, the TTB-R&D centre aims at maximizing competitiveness of Technical Textiles Business through market oriented new product/ technology development. In this regard, the R&D centre has developed 3 variants of Polyester Industrial Yarns and an Aramid based reinforcement fabric, each tailor-made for a different application.

Apart from the developments in existing business space, novel products involving Nano-technology are also being developed by this centre in close association with leading Academic and Research Institutes in India and abroad for various research projects

Engineering Plastics Business

The enhancement of the testing capability, undertaken in the last financial year, has helped in building critical knowledge base within the Research and Development team of the Engineering Plastics Business. The R&D efforts were instrumental in developing products that meet the ever growing requirements of the constantly evolving engineering plastics market viz., light weight but high strength products, parts that don't require painting etc. The year also marked the formal launch of a new range of compounded products that are inherently flame retardant and have the ability to withstand higher service temperature and aggressive chemical environment. Thus, the team is poised to consistently introduce unique solutions to resolve challenges faced by customers.

(ii) the expenditure incurred on Research and Development

(₹ in Crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure	**16.03**	65.27
Revenue Expenditure	**90.83**	71.92
Total	**106.86**	137.19

(C) Foreign exchange earnings and outgo

(₹ in Crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Foreign Exchange Earnings	**1442.20**	1296.97
Foreign Exchange outgo	**1789.88**	1770.10
Net Foreign Exchange Earnings	**(347.68)**	(473.44)

For and on Behalf of the Board

Arun Bharat Ram
Chairman
(DIN – 00694766)

Date: May 17, 2018
Place: Gurugram

Annexure VIII to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	**Registration and other Details**		
	i)	CIN	L18101DL1970PLC005197
	ii)	Registration Date	9th January, 1970
	iii)	Name of the Company	SRF Limited
	iv)	Category/Sub-category of the Company	Public Company/Limited by shares
	v)	Address of the Registered Office and contact details	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091 Tel : +91 11 49482870, Fax : +91 11 49482900
	vi)	Whether listed company	Yes
	vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower-B Plot No. 31 & 32, Financial District, Gachibowli Nanakramguda, Hyderabad 500 032 Tel No.: +91 040 6716 2222, Fax No.: +91 2300 1153 Toll Free: 1800-345-4001 E-mail: einward.ris@karvy.com
II.	**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**		
	All the business activities contributing 10% or more of the total turnover of the Company		As per Attachment A
III.	**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**		As per Attachment B
IV.	**SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**		
	i)	Category-wise Share Holding	As per Attachment C
	ii)	Shareholding of Promoters	As per Attachment D
	iii)	Change in Promoter's Shareholding	As per Attachment E
	iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
	v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V.	**INDEBTEDNESS**		
	Indebtedness of the Company including interest outstanding /accrued but not due for payment		As per Attachment H
VI.	**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**		
	i)	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
	ii)	Remuneration to other Directors	As per Attachment J
	iii)	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Attachment K
VII.	**PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES**		As per Attachment L

ATTACHMENT A

II. Principal business activities of the company

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

S. No.	Name and Description of main products / services	NIC Code of the product/ service *	% to total turnover of the Company
1.	Technical Textiles Business	139	37.90%
2.	Chemicals and Polymers Business	201, 210	39.01%
3.	Packaging Films Business	222	23.09%

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

ATTACHMENT B

III. Particulars of holding, subsidiary and associate companies

S. N.	Name of Company	Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1.	KAMA Holdings Ltd.	Unit no. 236 & 237, 2nd floor DLF Galleria, Mayur place Noida Link Road Mayur Vihar Phase-1 Extension Delhi-110091	L92199DL2000PLC104779	Holding	52.33	2(46)
2.	SRF Global B.V.	Strawinskylaan 3127, 1077 ZX Amsterdam, the Netherlands	N.A.	Subsidiary	100.00	2(87)(ii)
3.	SRF Industries (Thailand) Ltd.	3, Map to Phut Industrial Estate, I -1 Road, Amphur Muang, P.O. Box – 61, Rayong Province, Thailand	N.A.	Subsidiary	100.00	2(87)(ii)
4.	SRF Flexipak (South Africa) (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
5.	SRF Industex Belting (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	100.00	2(87)(ii)
6.	SRF Holiday Home Ltd.	Unit no. 236 & 237, 2nd floor DLF Galleria, Mayur place Noida Link Road Mayur Vihar Phase-1 Extension Delhi - 110091	U45200DL2006PLC156147	Subsidiary	100.00	2(87)(ii)
7.	Malanpur Captive Power Ltd.	Thapar House, 124, Janpath, New Delhi - 110 001	U74909DL2005PLC131985	Associate	22.60	2(6)
8.	Vaayu Renewable Energy (Tapti) Private Limited	Harekrishna Presidency Society, North South Road No. 8, Vile Parle (West) Mumbai - 400053	U40300MH2011PTC219995	Associate	26.32	2(6)

ATTACHMENT C

IV. Shareholding pattern (equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 31/03/2017				No. of Shares held at the end of the year 31/03/2018				% Change During The Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	27500	0	27500	0.05	**27500**	**0**	**27500**	**0.05**	0.00
(b)	Central Govt/State Govt(s)	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(c)	Bodies Corporate	30049000	0	30049000	52.33	**30049000**	**0**	**30049000**	**52.33**	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(e)	Others	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
	Sub-Total A(1) :	**30076500**	**0**	**30076500**	**52.38**	**30076500**	**0**	**30076500**	**52.38**	**0.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(b)	Bodies Corporate	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(c)	Institutions	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(e)	Others	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**30076500**	**0**	**30076500**	**52.38**	**30076500**	**0**	**30076500**	**52.38**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	5635673	4403	5640076	9.82	**6173208**	**4403**	**6177611**	**10.76**	0.94
(b)	Financial Institutions /Banks	91878	6126	98004	0.17	**54207**	**4614**	**58821**	**0.10**	(0.07)
(c)	Central Government / State Government(s)	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(d)	Venture Capital Funds	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(e)	Insurance Companies	434710	200	434910	0.76	**434710**	**200**	**434910**	**0.76**	0.00
(f)	Foreign Institutional Investors	10404923	0	10404923	18.12	**11359824**	**0**	**11359824**	**19.78**	1.66
(g)	Foreign Venture Capital Investors	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(i)	Others	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
	Sub-Total B(1) :	**16567184**	**10729**	**16577913**	**28.87**	**18021949**	**9217**	**18031166**	**31.40**	**2.53**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1676485	31084	1707569	2.97	**806650**	**21634**	**828284**	**1.44**	(1.53)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	5953873	1572927	7526800	13.11	**5459066**	**1230647**	**6689713**	**11.65**	(1.46)
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	759941	0	759941	1.32	**683949**	**0**	**683949**	**1.19**	(0.13)
(c)	Others									
	CLEARING MEMBERS	137197	0	137197	0.24	**58607**	**0**	**58607**	**0.10**	(0.14)
	I E P F *	0	0	0	0.00	**272678**	**0**	**272678**	**0.47**	0.47
	NBFC	53211	0	53211	0.09	**16005**	**0**	**16005**	**0.03**	(0.06)
	NON RESIDENT INDIANS	433110	8818	441928	0.77	**74586**	**6020**	**80606**	**0.14**	(0.63)
	NRI NON-REPATRIATION	136893	0	136893	0.24	**680877**	**0**	**680877**	**1.19**	0.95
	OVERSEAS CORPORATE BODIES	**0**	**50**	**50**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 31/03/2017				No. of Shares held at the end of the year 31/03/2018				% Change During The Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
	TRUSTS	2498	0	2498	0.00	**2115**	**0**	**2115**	**0.00**	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	9153208	1612879	10766087	18.75	**8054533**	**1258301**	**9312834**	**16.22**	(2.53)
	Total B=B(1)+B(2)	**25720392**	**1623608**	**27344000**	**47.62**	**26076482**	**1267518**	**27344000**	**47.62**	**0.00**
	Total (A+B) :	**55796892**	**1623608**	**57420500**	**100.00**	**56152982**	**1267518**	**57420500**	**100.00**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
(2)	Public	0	0	0	0.00	**0**	**0**	**0**	**0.00**	0.00
	GRAND TOTAL (A+B+C)	**55796892**	**1623608**	**57420500**	**100.00**	**56152982**	**1267518**	**57420500**	**100.00**	

*The voting rights on these shares shall remain frozen till the rightful owner claims the shares [Refer to Section 124 of the Companies Act, 2013].

ATTACHMENT D

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (01/04/2017)			Shareholding at the end of the year (31/03/2018)			
		No. of Shares	% of total Shares of the co.	%of Shares Pledged / encumbered to total shares	% of total Shares of the co.	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year	% change in shareholding during the year
1.	KAMA Holdings Limited	3,00,49,000	52.33	0.00	**3,00,49,000**	**52.33**	**0.00**	0.00
2.	Arun Bharat Ram	27,500	0.05	0.00	**27,500**	**0.05**	**0.00**	0.00
	Total	**3,00,76,500**	**52.38**	**0.00**	**3,00,76,500**	**52.38**	**0.00**	**0.00**

ATTACHMENT E

(iii) Change in Promoters' Shareholding

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Cumulative Holding during the year (01/04/2017 to 31/03/2018)	
		No. of Shares at the beginning (01/04/2017) / end of the year (31/03/2018)	% of total Shares of the company			No. of Shares	% of total Shares of the company
1.	KAMA Holdings Limited	3,00,49,000	52.33	01-Apr-17	No Change	**3,00,49,000**	**52.33**
		3,00,49,000	52.33	31-Mar-18		**3,00,49,000**	**52.33**
2	Arun Bharat Ram	27,500	0.00	01-Apr-17	No Change	**27,500**	**0.05**
		27,500	**0.05**	**31-Mar-18**		**27,500**	**0.05**

ATTACHMENT F

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

S No	Shareholder's Name	No of Shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	Shareholding	Increase/Decrease in Shareholding				Cumulative Holding during the year (01/04/2017 to 31/03/2018)	
			% of total shares of the company	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company
1	AMANSA HOLDINGS PRIVATE LIMITED	3729559	6.5	1/4/2017				**3729559**	**6.5**
				2/6/2017		7369	Transfer	**3722190**	**6.48**
				28/7/2017	453410		Transfer	**4175600**	**7.27**
				18/8/2017	261307		Transfer	**4436907**	**7.73**
				17/11/2017	5334		Transfer	**4442241**	**7.74**
		4442241	7.74	31/3/2018				**4442241**	**7.74**
2	DSP BLACKROCK DUAL ADVANTAGE FUND - SERIES 39 - 36	2293789	3.99	1/4/2017				**2293789**	**3.99**
				7/4/2017	15231		Transfer	**2309020**	**4.02**
				14/4/2017	10408		Transfer	**2319428**	**4.04**
				21/4/2017	242		Transfer	**2319670**	**4.04**
				28/4/2017	15985		Transfer	**2335655**	**4.07**
				19/5/2017		14493	Transfer	**2321162**	**4.04**
				26/5/2017	102754		Transfer	**2423916**	**4.22**
				16/6/2017		267	Transfer	**2423649**	**4.22**
				23/6/2017	100000		Transfer	**2523649**	**4.4**
				7/7/2017		122504	Transfer	**2401145**	**4.18**
				14/7/2017		7169	Transfer	**2393976**	**4.17**
				11/8/2017	2000		Transfer	**2395976**	**4.17**
				22/9/2017	61286		Transfer	**2457262**	**4.28**
				29/9/2017	35609		Transfer	**2492871**	**4.34**
				27/10/2017	64674		Transfer	**2557545**	**4.45**
				3/11/2017	10608		Transfer	**2568153**	**4.47**
				10/11/2017	8591		Transfer	**2576744**	**4.49**
				17/11/2017	20088		Transfer	**2596832**	**4.52**
				24/11/2017	3875		Transfer	**2600707**	**4.53**
				8/12/2017	112892		Transfer	**2713599**	**4.73**
				15/12/2017	56323		Transfer	**2769922**	**4.82**
				12/1/2018		5106	Transfer	**2764816**	**4.82**
				19/01/2018	17177		Transfer	**2781993**	**4.84**
				2/2/2018		6602	Transfer	**2775391**	**4.83**
				16/2/2018	10159		Transfer	**2785550**	**4.85**
				23/2/2018	26316		Transfer	**2811866**	**4.9**
				23/2/2018		26316	Transfer	**2785550**	**4.85**
				2/3/2018	9000		Transfer	**2794550**	**4.87**
				16/3/2018	4919		Transfer	**2799469**	**4.88**
				23/3/2018	152542		Transfer	**2952011**	**5.14**
				30/3/2018		500	Transfer	**2951511**	**5.14**
		2951511	5.14	31/3/2018				**2951511**	**5.14**
3	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P	1058633	1.84	1/4/2017				**1058633**	**1.84**
		1058633	1.84	31/3/2018				**1058633**	**1.84**
4	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	1085697	1.89	1/4/2017				**1085697**	**1.89**
				7/4/2017	6116		Transfer	**1091813**	**1.9**
				7/4/2017		84	Transfer	**1091729**	**1.9**
				28/4/2017	1002		Transfer	**1092731**	**1.9**
				12/5/2017	1682		Transfer	**1094413**	**1.91**
				26/5/2017		36558	Transfer	**1057855**	**1.84**
				2/6/2017		2149	Transfer	**1055706**	**1.84**
				16/6/2017		6999	Transfer	**1048707**	**1.83**
				23/6/2017		36265	Transfer	**1012442**	**1.76**

S No	Shareholder's Name	No of Shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	Shareholding % of total shares of the company	Increase/Decrease in Shareholding Date	Buying	Selling	Reason	Cumulative Holding during the year (01/04/2017 to 31/03/2018) No. of Shares	% of total shares of the company
				7/7/2017		25842	Transfer	986600	1.72
				11/8/2017	11012		Transfer	997612	1.74
				17/11/2017	8088		Transfer	1005700	1.75
				17/11/2017		11168	Transfer	994532	1.73
				15/12/2017	1000		Transfer	995532	1.73
				5/1/2018	1000		Transfer	996532	1.74
				19/1/2018	17051		Transfer	1013583	1.77
				26/1/2018		11822	Transfer	1001761	1.74
				9/2/2018		52308	Transfer	949453	1.65
				16/2/2018		10000	Transfer	939453	1.64
				2/3/2018		24305	Transfer	915148	1.59
				23/3/2018		40000	Transfer	875148	1.52
		875148	1.52	31/3/2018				875148	1.52
5	MIRAE ASSET EMERGING BLUECHIP FUND	435321	0.76	1/4/2017				435321	0.76
				7/4/2017	20000		Transfer	455321	0.79
				2/6/2017	25000		Transfer	480321	0.84
				7/7/2017	25000		Transfer	505321	0.88
				15/9/2017	19308		Transfer	524629	0.91
				29/9/2017	30000		Transfer	554629	0.97
				13/10/2017	27000		Transfer	581629	1.01
				17/11/2017	15000		Transfer	596629	1.04
				1/12/2017	25000		Transfer	621629	1.08
				9/2/2018		7825	Transfer	613804	1.07
		613804	1.07	31/3/2018				613804	1.07
6	GOVERNMENT PENSION FUND GLOBAL	264538	0.46	1/4/2017				264538	0.46
				28/04/2017	90347		Transfer	354885	0.62
				4/8/2017	2592		Transfer	357477	0.62
				25/08/2017	57940		Transfer	415417	0.72
				8/9/2017	42134		Transfer	457551	0.8
				15/9/2017	20		Transfer	457571	0.8
				17/11/2017	97720		Transfer	555291	0.97
				16/3/2018	25000		Transfer	580291	1.01
		580291	1.01	31/3/2018				580291	1.01
7	KUWAIT INVESTMENT AUTHORITY FUND 222	564547	0.98	1/4/2017				564547	0.98
				18/8/2017		3368	Transfer	561179	0.98
				8/9/2017		7019	Transfer	554160	0.97
				29/12/2017		4881	Transfer	549279	0.96
				19/1/2018		5451	Transfer	543828	0.95
		543828	0.95	31/3/2018				543828	0.95
8	KOTAK EMERGING EQUITY SCHEME	539253	0.94	1/4/2017				539253	0.94
				14/4/2017	4500		Transfer	543753	0.95
				21/4/2017		27000	Transfer	516753	0.9
				28/4/2017		17500	Transfer	499253	0.87
				5/5/2017	7000		Transfer	506253	0.88
				12/5/2017	2788		Transfer	509041	0.89
				19/5/2017		24500	Transfer	484541	0.84
				26/5/2017	20000		Transfer	504541	0.88
				26/5/2017		4500	Transfer	500041	0.87
				2/6/2017	28500		Transfer	528541	0.92
				16/6/2017	3000		Transfer	531541	0.93
				30/6/2017	14687		Transfer	546228	0.95
				7/7/2017	10000		Transfer	556228	0.97
				21/7/2017	20985		Transfer	577213	1.01
				28/7/2017		7000	Transfer	570213	0.99
				4/8/2017	2500		Transfer	572713	1
				11/8/2017	5000		Transfer	577713	1.01

S No	Shareholder's Name	No of Shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	Shareholding	Increase/Decrease in Shareholding				Cumulative Holding during the year (01/04/2017 to 31/03/2018)	
			% of total shares of the company	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company
				11/8/2017		39500	Transfer	538213	0.94
				18/8/2017	11000		Transfer	549213	0.96
				18/8/2017		8050	Transfer	541163	0.94
				25/8/2017	9500		Transfer	550663	0.96
				1/9/2017	83000		Transfer	633663	1.1
				8/9/2017	23000		Transfer	656663	1.14
				15/9/2017	9500		Transfer	666163	1.16
				15/9/2017		6907	Transfer	659256	1.15
				22/9/2017	18500		Transfer	677756	1.18
				29/9/2017	2000		Transfer	679756	1.18
				6/10/2017	19000		Transfer	698756	1.22
				13/10/2017	52000		Transfer	750756	1.31
				20/10/2017	5500		Transfer	756256	1.32
				27/10/2017	18000		Transfer	774256	1.35
				27/10/2017		82115	Transfer	692141	1.21
				3/11/2017		123	Transfer	692018	1.21
				10/11/2017	123		Transfer	692141	1.21
				17/11/2017		4500	Transfer	687641	1.2
				8/12/2017		26000	Transfer	661641	1.15
				15/12/2017		13500	Transfer	648141	1.13
				22/12/2017		40500	Transfer	607641	1.06
				29/12/2017	21000		Transfer	628641	1.09
				29/12/2017		1500	Transfer	627141	1.09
				5/1/2018		46323	Transfer	580818	1.01
				12/1/2018	35000		Transfer	615818	1.07
				19/1/2018		58500	Transfer	557318	0.97
				26/1/2018		1000	Transfer	556318	0.97
				2/2/2018		74000	Transfer	482318	0.84
				16/2/2018	73500		Transfer	555818	0.97
				23/2/2018		30043	Transfer	525775	0.92
				2/3/2018	4500		Transfer	530275	0.92
				9/3/2018	6500		Transfer	536775	0.93
				16/3/2018		6500	Transfer	530275	0.92
				23/3/2018		52628	Transfer	477647	0.83
				30/3/2018		7000	Transfer	470647	0.82
		470647	0.82	31/3/2018				470647	0.82
9	AKASH PREM PRAKASH	309000	0.54	1/4/2017				309000	0.54
				4/8/2017	49990		Transfer	358990	0.63
				11/8/2017	100010		Transfer	459000	0.8
		459000	0.8	31/3/2018				459000	0.8
10	GOVERNMENT OF SINGAPORE - E	359450	0.63	1/4/2017				359450	0.63
		359450	0.63	31/3/2018				359450	0.63
11	UTI-UNIT SCHEME FOR CHARITABLE AND RELIGIOUS TRUST*	860064	1.5	1/4/2017				860064	1.5
				7/4/2017		58000	Transfer	802064	1.4
				14/4/2017	11500		Transfer	813564	1.42
				14/4/2017		69188	Transfer	744376	1.3
				21/4/2017		19000	Transfer	725376	1.26
				28/4/2017		24000	Transfer	701376	1.22
				5/5/2017		35119	Transfer	666257	1.16
				12/5/2017		54000	Transfer	612257	1.07
				26/5/2017		39500	Transfer	572757	1
				2/6/2017		13515	Transfer	559242	0.97
				9/6/2017	1000		Transfer	560242	0.98
				23/6/2017		8220	Transfer	552022	0.96
				30/6/2017		10454	Transfer	541568	0.94
				21/7/2017		286807	Transfer	254761	0.44

S No	Shareholder's Name	No of Shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	Shareholding	Increase/Decrease in Shareholding				Cumulative Holding during the year (01/04/2017 to 31/03/2018)	
			% of total shares of the company	Date	Buying	Selling	Reason	No. of Shares	% of total shares of the company
				25/8/2017	500		Transfer	**255261**	**0.44**
				1/9/2017	5000		Transfer	**260261**	**0.45**
				8/9/2017	7500		Transfer	**267761**	**0.47**
				13/10/2017	13000		Transfer	**280761**	**0.49**
				27/10/2017	3000		Transfer	**283761**	**0.49**
				17/11/2017		4000	Transfer	**279761**	**0.49**
				15/12/2017		25000	Transfer	**254761**	**0.44**
				12/1/2018	10500		Transfer	**265261**	**0.46**
				19/1/2018		10500	Transfer	**254761**	**0.44**
				26/1/2018		656	Transfer	**254105**	**0.44**
				2/2/2018	1500	3929	Transfer	**250176**	**0.44**
				2/3/2018	9000		Transfer	**251676**	**0.44**
				9/3/2018			Transfer	**260676**	**0.45**
				16/3/2018		1500	Transfer	**259176**	**0.45**
				30/3/2018	4270		Transfer	**263446**	**0.46**
		263446	0.46	31/3/2018				**263446**	**0.46**
12	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFO *	263273	0.46	1/4/2017				**263273**	**0.46**
				5/1/2018		5172	Transfer	**258101**	**0.45**
				12/1/2018		5010	Transfer	**253091**	**0.44**
		253091	0.44	31/3/2018				**253091**	**0.44**
13	DIMENSIONAL EMERGING MARKETS VALUE FUND*	309510	0.54	1/4/2017				**309510**	**0.54**
				7/4/2017		5684	Transfer	**303826**	**0.53**
				5/5/2017		3503	Transfer	**300323**	**0.52**
				12/5/2017		5253	Transfer	**295070**	**0.51**
				19/5/2017		8842	Transfer	**286228**	**0.5**
				26/5/2017		2001	Transfer	**284227**	**0.49**
				16/6/2017		2852	Transfer	**281375**	**0.49**
				30/6/2017		6849	Transfer	**274526**	**0.48**
				7/7/2017		3320	Transfer	**271206**	**0.47**
				29/9/2017		6439	Transfer	**264767**	**0.46**
				6/10/2017		6545	Transfer	**258222**	**0.45**
				13/10/2017		772	Transfer	**257450**	**0.45**
				20/10/2017		6509	Transfer	**250941**	**0.44**
				24/11/2017		5210	Transfer	**245731**	**0.43**
				1/12/2017		10982	Transfer	**234749**	**0.41**
				8/12/2017		17856	Transfer	**216893**	**0.38**
		216893	0.38	31/03/2018				**216893**	**0.38**
14	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF0022 *	531991	0.93	1/4/2017				**531991**	**0.93**
				5/5/2017		338	Transfer	**531653**	**0.93**
				16/6/2017		120938	Transfer	**410715**	**0.72**
				23/6/2017		14776	Transfer	**395939**	**0.69**
				30/6/2017		27667	Transfer	**368272**	**0.64**
				7/7/2017		9775	Transfer	**358497**	**0.62**
				4/8/2017		5320	Transfer	**353177**	**0.62**
				11/8/2017		2808	Transfer	**350369**	**0.61**
				29/9/2017		82	Transfer	**350287**	**0.61**
				10/11/2017		16341	Transfer	**333946**	**0.58**
				17/11/2017		28250	Transfer	**305696**	**0.53**
				24/11/2017		51110	Transfer	**254586**	**0.44**

S No	Shareholder's Name	No of Shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	Shareholding % of total shares of the company	Increase/Decrease in Shareholding Date	Buying	Selling	Reason	Cumulative Holding during the year (01/04/2017 to 31/03/2018) No. of Shares	% of total shares of the company
				1/12/2017		11651	Transfer	**242935**	**0.42**
				8/12/2017		21182	Transfer	**221753**	**0.39**
				15/12/2017		62155	Transfer	**159598**	**0.28**
				12/1/2018		34803	Transfer	**124795**	**0.22**
				26/1/2018		6727	Transfer	**118068**	**0.21**
				2/2/2018		63238	Transfer	**54830**	**0.1**
				9/2/2018		2899	Transfer	**51931**	**0.09**
				2/3/2018		16283	Transfer	**35648**	**0.06**
				23/3/2018		1338	Transfer	**34310**	**0.06**
		34310	0.06	31/3/2018				**34310**	**0.06**
15	ABU DHABI INVESTMENT AUTHORITY - BEHAVE*	358608	0.62	1/4/2017				**358608**	**0.62**
				7/4/2017		3608	Transfer	**355000**	**0.62**
				28/7/2017		355000	Transfer	**0**	**0**
		0	0	31/3/2018				**0**	**0**

Note:

*Ceased to be in the list of top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017.

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

ATTACHMENT G

v. Shareholding of Directors and Key Managerial Personnel

S. No	Shareholder's Name	Shareholding: No. of Shares at the beginning (01/04/2017) / end of the year (31/03/2018)	Shareholding: % of total Shares of the company	Date	Increase/ Decrease in Shareholding No. of Shares	Reason % of total Shares of the company	Cumulative Holding during the year (01/04/2017 to 31/03/2018): No. of Shares	Cumulative Holding: % of total Shares of the company
1	Arun Bharat Ram (Chairman)	27500	0.05	01-Apr-17 31-Mar-18	-	Nil movement during the year	**27500**	**0.00**
2	Vellayan Subbiah (Independent Director)	13407	0.02	01-Apr-17 31-Mar-18	-	Nil movement during the year	**13407**	**0.02**
3	Anoop K Joshi KMP-President ,CFO & Company Secretary	2500 2500	0.00 0.00	01-Apr-17 31-Mar-18	-	Nil movement during the year	**2500**	**0.00**
4	Prashant Mehra KMP-President & CEO-(PFB, LF & CF)	950 950	0.00 0.00 0.00	01-Apr-17 31-Mar-18	-	Nil movement during the year	**950**	**0.0**
5	Prashant Yadav KMP-President & CEO-(FCB & EP)	200 200	0.00 0.00	01-Apr-17 31-Mar-18	-	Nil movement during the year	**200**	**00.0**
6.	Anurag Jain KMP- President & CEO(SCB & CTG)	600 600	0.00 0.00	01-Apr-17 31-Mar-18	-	Nil movement during the year	**600**	**00.0**
7.	Sanjay Chatrath KMP-President & CEO (TTB)	900 900	0.00 0.00	01-Apr-17 31-Mar-18	-	Nil movement during the year	**900**	**0.00**

ATTACHMENT H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2018

(₹ Crores)

	Secured Loan excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (April 1, 2017)				
i) Principal Amount	1,530.23	102.99	0.01	1,633.23
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	4.98	0.02	-	5.00
Total (i+ii+iii)	**1,535.21**	**103.01**	**0.01**	**1,638.23**
Change in indebtedness during the year				
Addition	2,468.76	2,146.10	-	4,614.86
Reduction	(1,987.16)	(1,782.46)	-	(3,769.62)
Change in Interest Accrued	16.50	0.43	-	16.93
Net Change	**498.10**	**364.07**	**-**	**862.17**
Indebtedness at the end of the financial year (March 31, 2018)				
ii) Principal Amount	2,011.83	466.63	0.01	2,478.47
ii) Interest Due but not paid	-	-	-	-
iii) Interest Accrued but not due	21.48	0.45	-	21.93
Total (i+ii+iii)	**2,033.31**	**467.08**	**0.01**	**2,500.40**

ATTACHMENT I

VI. Remuneration of directors and key managerial personnel

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

(₹ Crores)

S.N.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Arun Bharat Ram Chairman	Ashish Bharat Ram Managing Director	Kartik Bharat Ram Deputy Managing Director	Pramod G Gujarathi Director (Safety & Environment)	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.22	1.56	1.56	0.17	5.51
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.01	1.48	1.42	-	2.91

S.N.	Particulars of Remuneration	Name of MD/WTD/Manager			Pramod G Gujarathi Director (Safety & Environment)	Total Amount
		Arun Bharat Ram Chairman	Ashish Bharat Ram Managing Director	Kartik Bharat Ram Deputy Managing Director		
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- As % of profit - Others	2.25 -	1.60 -	1.60 -	- -	5.45 -
5.	Others	0.27	0.34	0.34	0.01	0.96
	TOTAL (A)	**4.75**	**4.98**	**4.92**	**0.18**	**14.83**
	Ceiling as per the Act		₹ 49.68 Crores (being 10% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013).			

ATTACHMENT J

a. Remuneration to other Directors

(₹ Crores)

S. No.	Particulars of Remuneration	Vinayak Chatterjee	Lakshman Lakshmi-narayan	Vellayan Subbiah	Pramod Bhasin	Tejpreet Singh Chopra	Dr. Meenakshi Gopinath	Total
1	**Independent Directors**							
	- Fee for attending Board /committee meetings	0.05	0.03	0.03	0.02	0.04	-	0.17
	- Commission	0.08	0.08	0.08	0.08	0.08	-	0.40
	- Others	-	-	-	-	-	-	-
2	**Other Non-Executive Directors**	-	-	-	-	-	-	-
	- Fee for attending Board /committee meetings	-	-	-	-	-	0.02	0.02
	- Commission	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	0.13	0.13
	TOTAL (B)=(1+2)	**0.13**	**0.11**	**0.11**	**0.10**	**0.12**	**0.15**	**0.72**
	Ceiling as per the Act	₹ 4.96 Crores(being 1% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						
	TOTAL MANAGERIAL REMUNERATION*							**15.55**
	Overall Ceiling as per the Act	₹ 54.64 Crores (being 11% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						

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

ATTACHMENT K

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

(₹ Crores)

S.N.	Particulars of Remuneration	Key Managerial Personnel					
		Sanjay Chatrath President & CEO (TTB)	Prashant Mehra President & CEO (PFB, LF & CF)	Prashant Yadav President & CEO (FCB & EP)	Anurag Jain President & CEO (SCB & CTG)	Anoop K. Joshi President, CFO & CS	Total
1.	Gross Salary						
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.17	1.97	2.00	2.01	1.39	8.54
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.04	0.11	0.07	0.11	0.06	0.39
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-
	- As % of profit - Others	-	-	-	-	-	-
5.	Others	0.04	0.07	0.07	0.07	0.05	0.30
	TOTAL (A)	**1.25**	**2.15**	**2.14**	**2.19**	**1.50**	**9.23**

ATTACHMENT L

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
COMPANY					
Penalty					
Punishment			**NIL**		
Compounding					
DIRECTORS					
Penalty					
Punishment			**NIL**		
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**NIL**		
Compounding					

For and on Behalf of the Board

Arun Bharat Ram
Chairman
(DIN – 00694766)

Date: May 17, 2018
Place: Gurugram

Management Discussion & Analysis

SRF Limited management in the following pages provides its own perspective on the operating and financial performance of the Company during FY 2017-18 and an outlook of the business performance in the coming years.

Businesses

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

Technical Textiles Business

The post demonetization effects and GST introduction led to volatility in demand. Margins were also impacted in some segments. Polyester and Belting fabric segments have shown a good performance in the backdrop of rising demand and firming up of margins.

Tyre Cord Fabrics

The NTCF segment retained its market leadership along with an increase in market share, despite tough competition and an increase in radialization in the bus and truck segment. Plants showed significant improvements across operational parameters. There is a shift happening in the product mix from greige to dipped fabrics. Business is setting up a new dipping line at its Gwalior facility to cater to this shift.

In addition, the introduction of Anti-Dumping Duty on tyre imports from China and an increase in import duty on Nylon Tyre Cord Fabric (NTCF) has contributed to an increase in domestic offtake.

Belting Fabrics

Belting Fabrics demand in India grew at a healthy rate. The Company has expanded its customer base in the domestic market. With increased focus on re-designing of fabrics for lower cost and expansion of the product range, belting fabrics has been able to improve its performance in India. To capture the growth in the market, business is executing an expansion program, which will come up during FY 2018-19.

South African subsidiary was assessed to have become unviable and hence the operations were closed during the year.

Laminated and Coated Fabrics

The Laminated Fabrics segment held onto its price leadership position despite significant capacity additions during the year. In an extremely competitive environment, the Business has been able to perform reasonably well with an increase in hot lamination sales and continuously improving operational efficiencies.

The Coated Fabrics segment continues to maintain its domestic market leadership. Focused strategy on increasing domestic sales, cost reduction initiatives and improved service levels has helped the Business perform well.

Outlook

The Nylon Tyre Cord Fabrics consumption in India is likely to grow marginally in FY 2018-19 on the back of expected GDP increase.

The Laminated Fabrics segment is likely to face similar oversupply situation in FY 2018-19. The Business will target to increase overall sales with a focus on hot lamination products.

In the Coated Fabrics segment, the Business performance will focus on further increasing domestic market share and cost reduction initiatives.

A healthy growth in belting fabric industry is likely to continue. The Company hopes to be in a position to leverage the demand through sales growth with the commissioning of its expansion project during FY 2018-19.

Overall, with the Indian economy outlook being positive, the performance of TTB is expected to remain stable.

Chemicals and Polymers Business

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

Fluorochemicals

The Fluorochemicals Business (FCB) derives its revenue from the sale of refrigerants, pharma propellants and industrial chemicals. FCB has its manufacturing operations at Bhiwadi in Rajasthan and Dahej in Gujarat. With capacity expansions currently underway for some of its existing projects and inclusion of new products to the portfolio, the Business is continuing its journey on the growth path.

Refrigerants & Propellants

SRF is the domestic market leader in the refrigerants space. Exports to more than 60 countries worldwide account for a significant portion of the overall revenue. The refrigerant product range marketed under the Company's FLORON® brand includes F-22, F-134a, F-32 and HFC Blends such as F-404A, F-407C, and F-410A. The business serves reputed OEMs manufacturing air-conditioners, refrigerators, pharmaceuticals, chillers and automobiles.

SRF is the only Indian manufacturer of HFC 134a and HFC 32, both of which it has developed using indigenous technology. SRF is already in the process of setting up new facilities for HFCs in the coming year, which will further strengthen our competitive advantage in all three major HFCs, namely HFC 134a, 32 and 125. SRF will also become the only Indian Company to have a fully integrated blending capability to offer HFC 410A and 407C to its customers. This will position us as one of the very few, best-in-class producers in the world.

SRF has also completed the setting up of a plant for Dymel® HFC 134a pharmaceutical propellant, which is a Current Good Manufacturing Practice (CGMP) facility at Dahej, Gujarat. We have also filed the Drug Master File (DMF) application to the Food & Drug Administration (FDA), in the United States during the year. Apart from offering great synergy with our HFC plants, SRF is ideally positioned to derive the benefit expected from the growth in the Metered Dose Inhalers (MDI) sector.

The demand for refrigerants continued on the growth path during FY 2017-18 on the back of strong sales of air-conditioners and growth in automobiles. Air-conditioners manufacturing segment witnessed transitioning of refrigerants from HCFC 22 to HFC Blends and HFC 32. SRF, with its wide product portfolio is well-positioned to cater to the market requirements during this transition. Macro-economic and other factors affecting this segment continues to show a positive trend in the coming year, especially for consumer durables like air-conditioners and refrigerators, as well as automobiles. Thus, we maintain the medium-term outlook for refrigerants to be positive.

Industrial Chemicals

SRF's main products in the Chloromethane space are Methylene Chloride and Chloroform, which are used by pharma and agrochemical customers. Other products in this segment are Trichloroethylene, Perchloroethylene and Dilute Hydrofluoric Acid. With the commissioning of a new production facility for Chloromethanes at Dahej, SRF has consolidated its market position in this product segment. Further, the Business is poised to gain in terms of revenue and profitability from this segment.

Outlook

With overall sentiment in the market continuing to remain positive in FY 2018-19, the Business is expected to improve its performance through additions to the existing HFC capacity, better capacity utilization and other cost improvement initiatives.

The Business will focus on increasing its share of F-134a, F32, F125, HFC Blends and Methylene Chloride, apart from its ongoing efforts to pursue growth in Industrial Chemicals.

Specialty Chemicals

The Specialty Chemicals Business collaborates with major global innovators in process development, commercialization, and production of complex new-age molecules having application in agrochemical and pharmaceutical segments. Over the years, the Business has developed expertise in process development in fluorinated and non-fluorinated chemistries.

During the year, the Business was affected by the ongoing slowdown in the agrochemical industry. Although the product pipeline continues to be robust and product approvals are increasing at a healthy rate, commercialization of new products was on a slow pace due to an ongoing economic weakness in customers' markets.

During the year, few products were added to the portfolio. Three new plants were commissioned at Dahej, including a state-of-the-art flexible manufacturing plant, and some production capacities at existing plants were enhanced.

The Business maintained a leadership position in existing products through its technological strength, continuous process improvements and focused cost reduction efforts.

Outlook

The Business continues to expand its ability to undertake complex chemistry and supply new-age molecules to innovators, expanding its product portfolio. The Business will remain focused on developing strong expertise in chemistries that are futuristic and provide value to our customers.

The agrochemicals market is expected to pick-up, in line with the global trends. New Agrochemical projects continue to move forward and are expected to pick up pace in line with the market.

Operations at the new state-of-the-art flexible manufacturing plant at Dahej have commenced, and three new plants, including a CGMP plant will be commissioned at Dahej over the course of the upcoming year. This is in line with the Business' strategy for the growth of the Business.

The Company remains optimistic about the medium and long-term potential and prospects of the Specialty Chemicals Business.

Engineering Plastics

Overall, market growth remained moderate in FY 2017-18 majorly due to a low demand in the first half of the year after GST. Despite slow growth and increasing pressure on prices of raw material, Engineering Plastics Business (EPB) posted a marginally improved performance. SRF continues to maintain its leadership position in critical segments such as automotive and electrical by persistently focusing on key customers and applications, leveraging existing OEM relationships.

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

Outlook

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

Chemicals Technology Group

The Chemicals Technology Group (CTG) is actively engaged in the development of new products and process technologies for our Fluorochemicals and Specialty Chemicals businesses. Its key focus is on the development of intermediates for new Active Ingredients in Pharmaceutical & Agrochemical Industries and New Generation Refrigerants.

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

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

Capital and Revenue expenditures amounting to ₹ 14.06 crore and ₹ 79.93 crore respectively were made during FY 2017-18 for R&D.

With every passing year, CTG is handling more-and-more complex processes involving a variety of chemistries. Comprehensively, R&D team worked on 46 molecules and 17 products were successfully taken up for process development. A total of 29 scale-up campaigns were carried out by the pilot plant, 13 production campaigns were completed in commercial multipurpose plants and 6 new dedicated plants were commissioned based on in-house development. In FY 2017-18, CTG filed 24 patents taking the total count to 135 patents filed so far.

Packaging Films Business

After witnessing a prolonged supply-demand imbalance, flexible packaging industry experienced a stable situation in BOPET segment during the year with some improvement in margins. In the BOPP segment, the industry continued to face severe supply overhang scenario resulting in sharp drop in margins.

The focus area for SRF's Packaging Films Business was to enhance Business performance with 100% utilization of the new BOPET capacity in India. In line with the target, all units improved their efficiencies while sustaining the best-in-industry cost structures. Our teams could not only sell 100% of the volume but also achieve margins in line with the target. Four new products were launched and significant growth was registered in value added products. The philosophy of 'Easy to Do Business with (ETDBW)' resulted in wider and deeper penetration with multi-national customers and the Business could achieve significant growth in developed markets like Europe and the United States over the last year (25% and 85% respectively). Working towards its strategic direction, a new BOPP facility was commissioned in December 2017 at Indore with vertical production and sales ramp up amidst extremely over-supplied market. To further widen the product portfolio and provide additional value to our customers, an offline coating facility was set up in India.

With its efficient cost structures, wide product portfolio, state-of-the-art technologies and TQM driven processes, Packaging Films Business could successfully achieve its targets in FY 2017-18.

Outlook

Globally, the demand for BOPET films is expected to be healthy and margins are likely to improve. The BOPP segment will continue to face supply overhang situation. Overall, the demand of flexible films in India is expected to grow by ~10% per annum.

SRF's strategy in this Business segment will revolve around continuously improving Business performance with 100% utilization of its assets, increasing share of value added products and establishing the Business as a credible BOPP film player. Another important task will be towards further strengthening of sales in the European market to provide a sound base for our upcoming, new facility in Eastern Europe.

Human Resources

The year started with the task of evolving and rolling out various initiatives that would help the organization gain momentum in its journey towards accomplishing Aspirations 2025. The team implemented various initiatives that are expected to transform the organizational culture, in line with Aspirations 2025. To mention a few, a new Idea-Solution wall, which provides employees an online platform to share ideas and suggest solutions to organization-wide problems, and an Innovation Linked Qualifier in order to align the talent acquisition process were implemented.

In addition, a new Competency Framework that will support the organization in achieving Aspirations 2025, and an HR script that will be used for all potential employees were some of the initiatives. The team also contributed to a further strengthening of the operational excellence culture by introducing an inter-business sales meet.

The Development Dialogue (appraisal) process was digitized and converted to a paperless process.

The Analytics team is evolving and graduating to the next level of Predictive Analytics. In this regard, the findings of the path-breaking Genome Project will not only help the organization understand its own DNA but also data points to the organization at the time of talent acquisition in terms of the expected longevity and performance levels of a candidate.

Further, the HR team could achieve few important milestones like the introduction of a new Application Tracking System, a new Employee Assistance Program and the introduction of a new IT-enabled Non-Disclosure Agreement.

In the learning and development space, we institutionalized our new Learning Management System SOUL (SRF Online University of Learning). This year, the team introduced the first ever home-grown e-learning module on Values and Code of Conduct. SOUL was further enriched by the addition of a new section of an Online Library – Kwench. Employees were able to access a large amount of online content through the library and borrow physical books at most locations.

Furthermore, a new Talent Transformation Policy was introduced for the organization.

Industrial Environment

The Company's overall employee relations remained positive throughout the year. Our consistent efforts in maintaining cordial and collaborative employee relations through various engagement initiatives and driving the right management philosophy at the ground level helped us maintain harmonious work environment across all manufacturing locations.

The total number of permanent employees stands at 5,833 at the close of business on March 31, 2018.

Information Technology

One of the biggest tax reforms in India, GST required many modifications in our IT systems to ensure systemic compliance to the new laws. The transactions systems were upgraded and modified in time to ensure that SRF operations were not adversely impacted after switch over to the GST regime. The necessary accounting modifications were done to ensure the financial books accurately reflected the new tax regime. The new GSTR Compliance filing requirements were met through IT systems integrated with a GSP/ASP solution provided by TCS.

The underlying ERP database infrastructure was upgraded to a new high speed, high capacity platform to provide the scalability that SRF needed for GST and for future strategic projects.

We plan to leverage new technology platforms to keep improving our productivity and operational excellence. In this regard, we deployed Office 365 cloud solution and migrated our collaboration and productivity solutions like email to the cloud platform. E-Learning platform was also deployed on the cloud to help improve the skill levels of our employees. Planning and budgeting capability was enhanced through a collaborative cloud solution that cut down the budget preparation time while improving the accuracy.

Multiple shop floor IT enablement projects were executed that help improve our operational excellence and optimize costs. Warehouses in some plants were automated with RFID trackers and material movement systems that improved our throughput, material tracking and inventory monitoring. Plant Equipment Management Solutions were enhanced to improve proactive maintenance of critical machinery. Multiple Industry 4.0 and Internet of Things (IOT) pilot projects were initiated this year to unlock the next level of efficiency from our manufacturing systems. The results of these pilot projects are very encouraging and we hope to extract tremendous value over the next 3 years.

The project to optimize our Supply Chain Planning and execution is at an advanced stage. This will help us plan our operations and resources better, leading to optimized inventory, on-time deliveries and reduced cost.

Overall, this year the GST project absorbed a lot of time and effort. However, SRF managed to take up its strategic IT projects as well to support the organizational aspirations and capability enhancement.

Community Partnerships

Building on its long-term commitment to the sustainable and inclusive growth of the community, SRF through its social wing, SRF Foundation, expanded its scope of work and took concrete steps in compliance with the Section 135 of the Companies Act 2013 during FY 2017-18. The Foundation continued to focus on the identified areas of education, vocational skills, natural resource management and affirmative action on a sustainable basis. The Company further strengthened its Public Private Community Partnership (PPCP) model to positively affect the lives of people.

FY 2017-18 witnessed the expansion of the Foundation's education program covering 190 government schools across 16 locations in eight States directly and 1,240 government schools in two states through our partners. With a motto of Quality Education for All, the program strives to provide quality education to more than 60,000 students by working with more than 1,330 teachers in these Government schools directly and with 200,000 students by working with 2,605 teachers in 1,220 villages through our partners. The Foundation continued its work towards improving infrastructure and academic facilities under School Education Program, and promoting digital based learning through KidSmart Centers and World on Wheels (WoW). In addition, the Foundation also worked in the area of enrolling girls for residential learning under Udaan Program, in collaboration with Government Education Department of respective States and like-minded companies like Coca Cola, IBM India, Capgemini, HP India, Sunrise Sports, Brillio Technologies Care India, among others.

SRF Foundation also undertook several new initiatives to improve the employability of people, around our plant locations by providing vocational skills through partnership with Rama Krishna Polytechnic, Schneider Electrical and The Times of India.

SRF Foundation, through its Natural Resource Management (NRM) program continued to reach the economically weaker families near its factory establishment at Bhiwadi in Rajasthan and improve their livelihood by adopting the watershed based livelihood and environment conservation approach. In its 10 years of intervention, the project has positively affected 6,746 families with sustainable livelihood interventions and extensively worked for the soil and water conservation in 42 project villages. The Foundation has constructed and revived 204 rainwater-harvesting structures (earthen check dams) for ground water recharge along with other initiatives like drip and sprinkler promotion for water conservation and management in agriculture that accounts for more than 70% of the total water consumption in the country. So far, 1,765 hectares of privately owned waste land has been reclaimed and put under agricultural use, supporting the sustainable livelihood of the rural poor and contributing towards food security of the country. In FY 2017-18, the Foundation conducted certain Hydrological and Environment studies in 35 villages around SRF Bhiwadi Plant in the Tijara block where rainfall is below normal and the results helped create a way forward plan.

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

Internal Control Systems 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 and managing risks
- Ensuring reliability of financial and operational reporting
- Ensuring legal and regulatory compliance
- Protecting Company's assets
- Prevention and detection of fraud and error
- Validation of IT Security Controls

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

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

The Company also has a robust and comprehensive framework of Control Self-Assessment (CSA), which continuously verifies compliance with laid down policies and procedures and help plug control gaps.

During FY 2017-18, the Indirect tax regime changed to GST. Various accounting policies, allocation methodologies and accounting positions required a change to incorporate the requirements of GST. Relevant measures were taken to ensure that systems and processes that went under significant change meet the compliance requirements.

Risk Management

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

Strategic Risks

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

Operational Risks

SRF has a combination of well-documented, centrally issued policies and 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, services, capital goods and servicing of foreign currency debt.

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

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

Information Technology Risks

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

Regulatory Risks

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

Financial and Accounting Risks

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

The Company has now adopted the Indian Accounting Standards (Ind-AS) from FY 2016-17. Various new pronouncements with respect to accounting standards were also implemented as mandated by the Ministry of Company Affairs and the Institute of Chartered Accountants of India. These have an impact on the financial statements, the accounting methodology and accounting positions that the Company has taken in the past.

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, 2018, SRF's Board consisted of 10 Directors, of which four are executives of the Company (including the Chairman, who is an Executive Chairman), one is non-executive & non-independent and five are independent. Table 1 gives the details of the Board during the year 2017-18.

Table 1: Composition of the Board of Directors of SRF

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

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

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

Independent Directors on the Board are Non-Executive Directors.

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

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

Independent Directors' Meeting

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations a meeting of the Independent Directors of the Company was held on February 7, 2018, without the attendance of Non-Independent Directors and members of the management.

Familiarisation Programme

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

Number of Board Meetings

During 2017-18, the Board of Directors met five times on the dates as referred below in Table 2. The gap between any two Board Meetings did not exceed four months.

Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2017-18

Name of the Director	Date of Board Meeting and Attendance of Directors					Date of AGM and Attendance of Directors
	May 22, 2017	June 28, 2017	August 8, 2017	November 9, 2017	February 7, 2018	August 8, 2017
Arun Bharat Ram	Yes	No	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes
Pramod G Gujarathi	Yes	Yes	Yes	Yes	Yes	Yes
Vinayak Chatterjee	Yes	No	Yes	Yes	Yes	Yes
Tejpreet S Chopra	Yes	Yes	Yes	Yes	Yes	Yes
Lakshman Lakshminarayan	Yes	No	Yes	Yes	No	Yes
Vellayan Subbiah	Yes	No	Yes	No	Yes	Yes
Pramod Bhasin	Yes	No	Yes	Yes	Yes	Yes
Dr Meenakshi Gopinath	Yes	No	Yes	Yes	Yes	Yes

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors of SRF Limited for financial year 2017-18 and table 4 gives details of Service Contracts

Table 3: Remuneration Paid or Payable

(₹ in Crores)

Name of Director	Salary & Allowances	Sitting Fees	Perquisites	Provident Fund and Superannuation Fund @	Commission/ Professional Fee	Total
Arun Bharat Ram	2.22	-	0.19	0.38	2.25	**5.04**
Ashish Bharat Ram	1.56	0	1.53	0.42	1.60	**5.11**
Kartik Bharat Ram	1.56	0	1.44	0.42	1.60	**5.02**
Pramod Gopladas Gujarati	0.17	-	-	0.01	-	**0.18**
Vinayak Chatterjee	-	0.05	-	-	0.08	**0.13**
Tejpreet S Chopra	-	0.04	-	-	0.08	**0.12**
Lakshman Lakshminarayan	-	0.03	-	-	0.08	**0.11**
Vellayan Subbiah	-	0.03	-	-	0.08	**0.11**
Pramod Bhasin	-	0.02	-	-	0.08	**0.10**
Dr Meenakshi Gopinath	-	0.02	-	-	0.13	**0.15**
Total	**5.51**	**0.19**	**3.16**	**1.23**	**5.98**	**16.07**

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

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

Table 4: Details of Service Contracts

Name of Director	Tenure	Notice Period	Severance Fee
Arun Bharat Ram	5 years w.e.f. June 15, 2018#	6 months by either party	Nil
Ashish Bharat Ram	5 years w.e.f. May 23, 2015	3 months by either party	Nil
Kartik Bharat Ram	5 years w.e.f June 01, 2016	3 months by either party	Nil
Pramod Gopaldas Gujarathi	3 years w.e.f. April 01, 2017	1 month by either party	Nil

Shareholders at their meeting held on August 8, 2017 by Special Resolution had approved reappointment of Arun Bharat Ram for a further term of 5 years with effect from June 15, 2018

Shareholding of Non-Executive Directors

Table 5 gives details of the shares held by the non-executive Directors as on March 31, 2018.

Table 5: Equity Shares Held by Non-Executive Directors as on March 31, 2018

Name of Director	Category	Number of Equity Shares Held
Vinayak Chatterjee	Independent	-
Tejpreet S Chopra	Independent	-
Lakshman Lakshminarayan	Independent	-
Vellayan Subbiah	Independent	13,407
Pramod Bhasin	Independent	-
Dr Meenakshi Gopinath	Non-Independent	-

The Company has not issued any convertible securities to any Director

Information Supplied to the Board

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results of the Company and operating divisions and business segments
- Minutes of the meetings of the audit committee and other committees of the Board
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems

- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

In addition to the above, pursuant to the Listing Regulations the minutes of the Board meetings of your Company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

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

Risk Management

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

Statutory Committees of the Board

a) Audit Committee

i) Terms of Reference

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

In addition, the Committee also mandatorily reviews:

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

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

As on March 31, 2018, the Audit Committee of SRF comprised of three Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Regulation 18 of Listing Regulations.

Table 6 provides details of the Audit Committee meetings held during the year 2017-18 and attendance of its members.

Table 6: Attendance Record of Audit Committee Meetings during 2017-18

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		May 22, 2017	August 8, 2017	November 9, 2017	February 7, 2018
Vinayak Chatterjee (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes
Lakshman Lakshminarayan	Independent, Non-Executive	Yes	Yes	Yes	No
Vellayan Subbiah	Independent, Non-Executive	Yes	Yes	No	Yes

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

b) Nomination and Remuneration Committee

i) Terms of Reference :

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board

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

ii) Composition of Nomination and Remuneration Committee and Attendance of members in the meetings of the Nomination and Remuneration Committee held during the year

As on March 31, 2018, this Committee comprised three Directors, Vinayak Chatterjee (Chairman), Tejpreet Singh Chopra and Vellayan Subbiah, all of whom are independent. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 7 provides details of the Nomination and Remuneration Committee meetings held during the year 2017-18 and attendance of its members.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings during 2017-18

Name of Members	Category	Date of NRC Meeting and Attendance of Members	
		May 22, 2017	February 7, 2018
Vinayak Chatterjee (Chairman)	Independent, Non-Executive	Yes	Yes
Tejpreet Singh Chopra	Independent, Non-Executive	Yes	Yes
Vellayan Subbiah	Independent, Non-Executive	Yes	Yes

iii) Annual Evaluation of Board, Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, Appointment and Remuneration Policy, the Board of Directors/ Independent Directors/Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

iv) Nomination, Appointment and Remuneration Policy

Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria like attendance and participation in Board and committee meetings, advice on implementation of good corporate governance practices, diligence and independence in judgement and actions, good faith and interest of the stakeholders, etc. Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment.

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

c) Stakeholders Relationship Committee

As on March 31, 2018, this Committee comprised of five Directors—three executive Directors and two non-executive Directors. The Chairman of the Committee is Tejpreet Singh Chopra, an Independent & Non-Executive Director.

Table 8 provides details of the Stakeholders Relationship Committee meetings held during the year 2017-18 and attendance of its members.

Table 8: Attendance Record of Stakeholders Relationship Committee Meetings during 2017-18

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members							
		11 May 17	28 Jun 17	3 Aug 17	22 Sep 17	21 Nov 17	4 Jan 18	7 Feb 18	8 Mar 18
Tejpreet Singh Chopra (Chairman)	Non-Executive, Independent	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Arun Bharat Ram	Executive Chairman, Promoter	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Executive, Promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Executive, Promoter	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vinayak Chatterjee	Non-Executive, Independent	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

With effect from 07.02.2018, Ekta Maheshwari, Sr Manager (Secretarial) has been designated as Compliance Officer under Listing Regulations.

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

As on March 31, 2018, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 9 gives data on the shareholder/investor complaints received and redressed during the year 2017-18.

Table 9: Shareholder and Investor Complaints received and redressed during 2017-18

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on March 31, 2018
263	263	Nil	Nil

d) Corporate Social Responsibility Committee

As on March 31, 2018, this Committee comprised of three Directors - Dr Meenakshi Gopinath (Chairperson), Kartik Bharat Ram and Lakshman Lakshminarayan. The constitution of the Committee meets the requirements of Section 135 of the Companies Act, 2013.

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

Table 10 provides details of the CSR Committee meetings held during the year 2017-18 and attendance of its members.

Table 10: Attendance Record of CSR Committee Meetings during 2017-18

Name of Members	Category	Date of meeting and Attendance of Director
		May 22, 2017
Dr Meenakshi Gopinath (Chairperson)	Non-Independent, Non-Executive	Yes
Lakshman Lakshminarayan	Independent, Non-Executive	Yes
Kartik Bharat Ram	Executive, Promoter	Yes

e) Committee of Directors – Financial Resources

As on March 31, 2018, this Committee comprised of three Directors - Arun Bharat Ram, Ashish Bharat Ram and Kartik Bharat Ram all of whom are executive directors.

Table 11 provides details of the Committee of Directors - Financial Resources meetings held during the year 2017-18 and attendance of its members.

Table 11: Attendance Record of Committee of Directors- Financial Resources Meetings during 2017-18

Name of Members	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members															
	April 19, 2017	May 18, 2017	June 2, 2017	June 30, 2017	July 12, 2017	Aug 9, 2017	Aug 21, 2017	Sep 14, 2017	Sep 22, 2017	Nov 9, 2017	Nov 24, 2017	Dec 14, 2017	Jan 25, 2018	Feb 7, 2018	Feb 27, 2018	Mar 15, 2018
Arun Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ashish Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Kartik Bharat Ram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Management

Management Discussion and Analysis

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

Disclosure Requirements

- During the year 2017-18, the Company had no materially significant related party transactions. Transactions with related parties are disclosed in Note No 33 to the Financial Statements. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policies are available on the website of the Company at the http://www.srf.com/investor-relations/investors.html#governance. Policy of determining 'material subsidiaries' is available on the website of the Company at the http://www.srf.com/investor-relations/investors.html#governance.

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

- Vigil Mechanism Policy : Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Vigil Mechanism Policy of the Company includes Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for employees, Policy against sexual harassment, Whistle blower Policy and Code of

Conduct for Prevention of Insider Trading. The Company is following such a policy and crux of which is disclosed by the Company on its website at the http://www.srf.com/investor-relations/investors.html#governance. No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2017-18.

- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 (as applicable) and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations
- This Corporate Governance Report of the Company for the year 2017-18 is in compliance with the requirements of Listing Regulations, as applicable.

Non-Mandatory Requirement

The status of adoption of the non-mandatory requirements as specified in sub – regulation 1 of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

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

CEO/CFO certification

The Certificate in compliance with Regulation 17(8) of Listing Regulations was placed before the Board of Directors.

Reappointment/Appointment of Directors

Dr Meenakshi Gopinath, (Director CSR) is retiring by rotation and being eligible, offer herself for re-appointment.

The Members of the Company at the 43rd Annual General Meeting held on August 4, 2014 had appointed Vinayak Chatterjee, L Lakshman, Tejpreet Singh Chopra, Vellayan Subbiah and Pramod Bhasin as Independent Director(s) of the Company, whose term are due to expire on 31st March, 2019.

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

The Board recommended the proposal for reappointment of Vinayak Chatterjee, L Lakshman, Tejpreet Singh Chopra, Vellayan Subbiah and Pramod Bhasin for approval of shareholder through special resolution(s) for a further period of 5 years w.e.f. 01.04.2019 to 31.03.2024.

Brief resumes of all the directors proposed to be re-appointed are given in the Notice of the 47th Annual General Meeting.

Means of Communication with Shareholders

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

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

General body meetings

Last three Annual General Body Meetings

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

Table 12 : Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions Passed
2014-15	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 Same as Above	August 6, 2015	3.30 P.M.	2
2015-16	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 8, 2016	3.30 P.M.	2
2016-17	Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	August 8, 2017	3.30 P.M.	2

Postal Ballot

During this year, the Board had approved SRF Long Term Share Based Incentives Plan, 2018 and approached the shareholders for seeking their approval to the said Plan by way of special resolutions through postal ballot. The details of the postal ballot are as follows :

Date of Postal Ballot Notice : February 7, 2018

Voting period : February 25, 2018 to March 26, 2018

Date of declaration of result : March 28, 2018

Date of approval : March 26, 2018

S. No.	Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
1	Approval of the SRF Long term Share based Incentives Plan (SRF LTIP) and its implementation through direct issue and allotment to the employees	Special	39672741	35819703	90.29	3853038	9.71
2	Approval of the SRF Long term Share based Incentives Plan (SRF LTIP) and its implementation through Trust	Special	39672730	35347229	89.10	4325501	10.90
3	Grant of options and / or shares of the Company to the Employees of the Subsidiary Company (ies) under the SRF Long term Share based Incentives Plan (SRF LTIP)	Special	39672730	35817415	90.28	3855315	9.72

S. No.	Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
				No. of votes	%	No. of votes	%
4	Grant of options and / or shares of the Company to the Employees of the Holding Company under the SRF Long term Share based Incentives Plan (SRF LTIP)	Special	39672730	33032317	83.26	6640413	16.74
5	Grant of options and / or shares of the Company under SRF Long term Share based Incentives Plan (SRF LTIP) to the Employees of the Company, its Subsidiary Company (ies) and / or its Holding Company by way of Secondary Acquisition	Special	39672660	35346704	89.10	4325956	10.90
6	Authorization for Trust to subscribe/ acquire shares for and under the SRF Long term Share based Incentives Plan (SRF LTIP)	Special	39672740	35346945	89.10	4325795	10.90
7	Provisioning of money by the Company to the Trust/ Trustees for subscription / acquisition shares under the SRF Long term Share based Incentives Plan (SRF LTIP)	Special	39672740	35346316	89.09	4326424	10.91

Procedure for Postal Ballot

In compliance with Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provided electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engaged the services of Karvy Computershare Pvt. Ltd., Hyderabad for providing e-voting facility to all its members. The members had the option to vote either by physical ballot or e-voting. The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appeared on the register of members / list of beneficiaries as on a cutoff date. The postal ballot notice was sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting. The scrutinizer submitted his report to Anoop K Joshi, President, CFO & Company Secretary (who was duly authorised by the Chairman in this regard), after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by him. The results were published in the newspapers and also displayed on the website of the Company, www.srf.com, besides being communicated to the stock exchanges, depositories and registrar and share transfer agent. The date of passing of the resolutions was 26.03.2018 i.e. last date of voting and date of declaration of the results was 28.03.2018.

Additional Shareholder Information

47th Annual General Meeting

Day: Tuesday
Date: August 7, 2018
Time: 11.00 A.M.
Venue: Laxmipat Singhania Auditorium, PHD House,
4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

Financial Year

1 April to 31 March

Tentative Financial Calendar for Results, 2018-19

First Quarter	First week of August 2018
Second Quarter	First week of November 2018
Third Quarter	First week of February 2019
Fourth Quarter and Annual	Third week of May 2019

Book Closure Date

The Share Transfer Register of SRF will remain closed from Wednesday, August 1, 2018 to Tuesday to August 7, 2018 (both days inclusive) for the purpose of holding the Annual General Meeting.

Interim Dividend Payment Date

Two interim dividends of ₹ 6 per share each (60 per cent) on the paid up capital of the Company absorbing ₹ 82.93 Crores approx. (inclusive of tax) were paid on August 25, 2017 and February 26, 2018 respectively.

Listing on Stock Exchanges in India

SRF's shares are listed on the BSE and the NSE and debentures are listed on NSE. The Company has paid the listing fee to both BSE and NSE for the year 2018-19. The Stock Codes are:

Stock Exchanges	Equity Shares	Debentures
BSE Limited	503806	
National Stock Exchange	SRF	INE647A07033

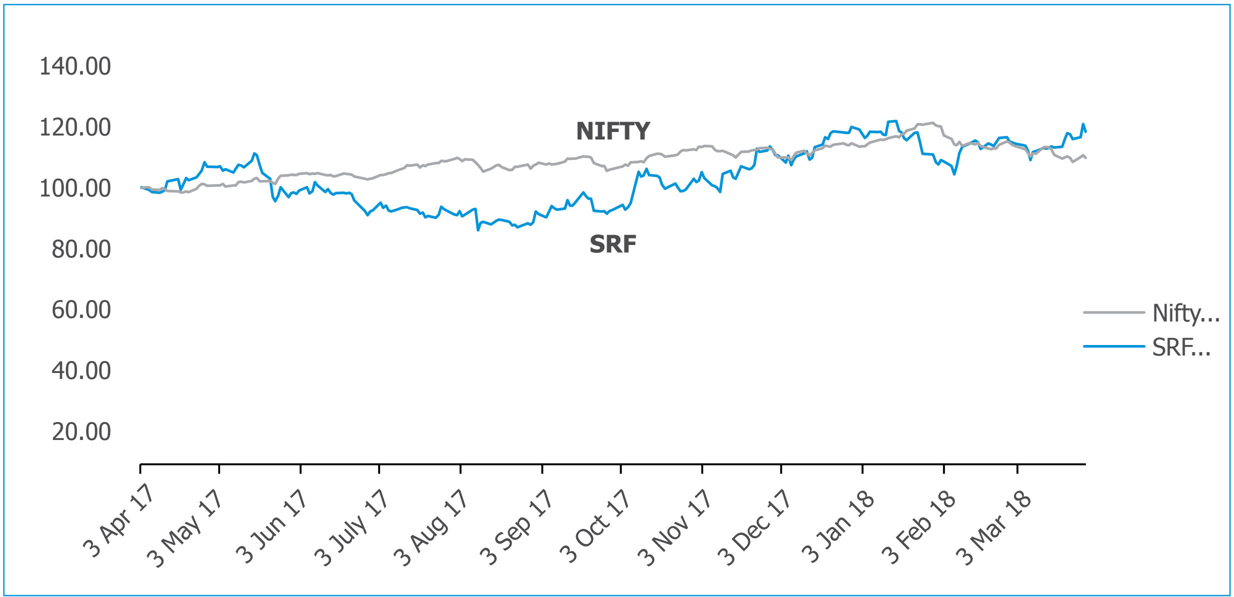
Stock Market Data

Table13 gives the monthly high and low quotations as well as the volume of shares traded at BSE and NSE during 2017-18.

Table 13: Monthly Highs and Lows and Volumes Traded at the BSE and NSE during 2017-18

	BSE			NSE		
Month	Highest Price (₹)	Lowest Price (₹)	Volume (No.)	Highest Price (₹)	Lowest Price (₹)	Volume (No.)
Apr-17	1,825.00	1,625.00	24,039	1,824.95	1,624.70	4,171,114
May-17	1,860.00	1,575.95	20,413	1,859.00	1,579.10	3,347,658
Jun-17	1,697.40	1,505.25	9,880	1,697.35	1,503.10	1,920,946
Jul-17	1,594.90	1,497.00	13,631	1,587.10	1,495.00	2,844,494
Aug-17	1,587.00	1,420.00	17,084	1,587.90	1,415.25	5,180,733
Sep-17	1,645.00	1,492.20	8,625	1,643.50	1,489.80	2,438,950
Oct-17	1,793.50	1,532.25	20,137	1,793.90	1,527.60	6,027,996
Nov-17	1,907.60	1,556.05	26,022	1,909.90	1,555.50	7,181,072
Dec-17	1,997.00	1,763.05	15,946	1,999.55	1,759.00	4,500,616
Jan-18	2,045.00	1,771.10	13,769	2,048.45	1,771.20	4,402,756
Feb-18	1,960.00	1,627.00	12,170	1,961.00	1,640.75	3,455,192
Mar-18	2,010.00	1,766.35	9,023	2,014.00	1,775.00	2,797,721

Chart 1: Share prices of Nifty versus SRF Limited for the year ended March 31 2018



Note: Both Nifty and SRF share prices are indexed to 100 as on April 1, 2017

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, Anoop K. Joshi, Company Secretary has been authorised to consider and approve the registration of transfer and transmission of shares/debentures upto a limit of 1,000 shares/debentures in any one case. For the cases for shares above 1,000, the Stakeholders Relationship Committee meets to approve valid transfer requests. After transfer, the physical shares are sent to the shareholders.

The total number of shares transferred in physical form during the period from April 1, 2017 to March 31, 2018 was 32,464.

Depository System

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

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

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

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

Dematerialisation of Shares & Liquidity

As on March 31, 2018 there were 32,326 shareholders holding 56,152,982 shares in electronic form. This constitutes 97.79 per cent of the total paid-up share capital of the Company.

Distribution of Shareholding as on March 31, 2018@

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

Table 14: Pattern of Shareholding by Share Class as on March 31, 2018

No. of Equity Shares held	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
Upto 500	42,795	94.13	3,841,666	6.69
501- 1000	1,530	3.37	1,121,965	1.95
1001 - 2000	569	1.25	839,121	1.46
2001 - 3000	174	0.38	444,379	0.77
3001- 4000	70	0.15	249,390	0.43
4001- 5000	74	0.16	344,659	0.60
5001 - 10000	112	0.25	790,397	1.38
10001 & ABOVE	139	0.31	49,788,923	86.72
Total	**45,463**	**100**	**57,420,500**	**100**

Table 15: Pattern of Shareholding by Ownership as on March 31, 2018

Category	Shareholding	
	Number of Shares Held	Shareholding %
Promoters	30,076,500	52.38
Mutual Funds & UTI	5,816,984	10.13
Banks, Financial Institutions, Insurance Companies	493,731	0.86
Foreign Institutional Investors/Foreign Portfolio Investors/ Foreign Nationals	11,359,851	19.77
Private Corporate Bodies	828,284	1.44
Alternate investment fund	360,627	0.63
Indian Public	7,095,887	12.36
NRIs / OCBs	761,483	1.33
Others (including shares in transit)	627,153	1.1
Total	**57,420,500**	**100**

@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, 2018, there were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments

Commodity price risk or foreign exchange risk and hedging activities

During the year 2017-18, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in the Note No. 38 to the Financial Statements.

Plant Locations

Business	Plant Locations
Technical Textiles Business	• Manali Industrial Area, Manali, Chennai - 600 068,Tamil Nadu • Industrial Area, Malanpur, Distt. Bhind - 477 116, 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 - 244 713, 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 - 263 153, Uttarakhand • DII / I GIDC. PCPIR,GIDC Phase II, Tal Vagra, Vill. Dahej, Distt. Bharuch - 392 130, Gujarat
Packaging Films Business	• Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand • Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pitam Pur, Distt. Dhar - 454 775, Indore, MP • Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Distt. Dhar - 454 775, Indore, MP

Address for Correspondence

Registered Office	Corporate Office	Registrar & Share Transfer Agent	Debenture Trustee
The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Mayur Vihar, Phase-I Extn., Delhi - 110 091 Tel. No.: +91-11-49482870 Fax No.: +91-11-49482900 E-mail: ekta.maheshwari@srf.com	Block - C, Sector - 45 Gurgaon - 122 003 Tel. No.: +91-124-4354400 Fax No.: +91-124-4354500 E-mail: ajoshi@srf.com	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad - 500 032 Tel. No.: +91-40-67162222 Fax No.: +91-40-2300 1153 E-mail: einward.ris@karvy.com	**Vistra ITCL (India) Limited** The IL&FS Financial Centre Plot C-22, G Block Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel. No.: +91-11-46577591 Email: Amit.Joshi@vistra.com Website: www.vistraitcl.com Contact Person: Amit Joshi, Regional Head - Corporate Trustee (North & East)

Declaration Regarding Code of Conduct

I, Ashish Bharat Ram, Managing Director of SRF Limited declares that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended March 31, 2018.

Date: May 17, 2018
Place: Gurugram

Ashish Bharat Ram
Managing Director

Independent Auditor's Report

To the Members of
SRF Limited
Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SRF Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

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

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 31(a) to the financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 31(h)(iii) to the financial statements.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 17, 2018

ANNEXURE "A"

to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of SRF Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 17, 2018

Annexure "B" to The Independent Auditor's Report

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

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

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

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

₹ Crores

Particulars of the land and building	Gross Block March 31, 2018	Net Block March 31, 2018	Remarks
Registered Office building located at Mayur Vihar Place, New Delhi	4.21	4.15	The Company has got possession letter however assigning of conveyance deed in the name of the Company is under process.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

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

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax, Value Added Tax, Works Contract Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax, Excise Duty, Customs Duty and Cess which have not been deposited as on March 31, 2018 on account of disputes are given below:

₹ Crores

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*
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1994-2015	16.23
		Upto Commissioner (Appeals)	1993-2016	8.11
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2008	0.13
		Upto Commissioner (Appeals)	2006-2015	1.15
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-2013	1.31
		Upto Commissioner (Appeals)	2002	0.17
Sales Tax Laws	Sales Tax	High Court	2004-2013	29.37
		Sales Tax Appellate Tribunal	1987-2008	1.02
		Upto Commissioner (Appeals)	1988-2015	1.02
Income Tax Laws	Income Tax	Supreme Court	1988-1989	1.13
		Income Tax Appellate Tribunal (ITAT)	2010-2013	2.75
		Upto Commissioner (Appeals)	2014-15	2.31
Others	Electricity Cess	High Court	2007-2014	0.06

*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
Central Excise Laws	Excise Duty	High Court	1994-2002	1.67
		Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1989-1995	2.24

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

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. During the year, the Company has raised Rs. 300 Crores through private placement of non-convertible debentures, however it has not raised any money by way of initial public offer / further public offer (including debts instruments) during the year.

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

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

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

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

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

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

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

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

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 17, 2018

Balance Sheet

As at March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2018	As at March 31 , 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	**4,228.29**	3,534.79
Capital work-in-progress	2	**556.93**	271.83
Goodwill	3	**1.41**	1.41
Other Intangible assets	4	**112.73**	80.75
Financial Assets			
Investments	5	**83.72**	108.72
Loans	6	**30.51**	42.03
Other non-current assets	8	**197.68**	152.94
Total Non - Current Assets		**5,211.27**	**4,192.47**
Current assets			
Inventories	9	**827.62**	727.48
Financial Assets			
Investments	5	**121.70**	170.76
Trade receivables	10	**491.41**	514.59
Cash and cash equivalents	11	**67.66**	47.89
Bank balances other than above	12	**9.73**	8.49
Loans	6	**12.67**	12.05
Other financial assets	7	**50.78**	62.65
Current Tax Assets (Net)	20	**17.71**	9.92
Other current assets	8	**463.46**	221.51
Total Current Assets		**2,062.74**	**1,775.34**
TOTAL ASSETS		**7,274.01**	**5,967.81**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	13	**58.44**	58.44
Other Equity	14	**3,391.23**	3,086.41
Total equity		**3,449.67**	**3,144.85**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	15	**1,504.57**	960.00
Provisions	16	**24.87**	22.25
Deferred tax liabilities (Net)	17	**255.50**	264.91
Other non current liability	21	**14.40**	5.38
Total Non - Current Liabilities		**1,799.34**	**1,252.54**

Balance Sheet (Contd.)

As at March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2018	As at March 31 , 2017
Current liabilities			
Financial Liabilities			
Borrowings	15	**666.37**	349.28
Trade payables	18	**804.87**	645.31
Other financial liabilities	19	**454.24**	456.60
Provisions	16	**3.79**	5.13
Current tax liabilities (net)	20	**10.53**	13.61
Other current liabilities	21	**85.20**	100.49
Total Current Liabilities		**2,025.00**	**1,570.42**
Total Liabilities		**3,824.34**	**2,822.96**
TOTAL EQUITY AND LIABILITIES		**7,274.01**	**5,967.81**
Accompanying notes forming part of the financial statements	1 to 39		

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

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Place : Gurugram
Date : May 17, 2018

Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	22	**4,677.93**	4,197.82
II	Other income	23	**103.80**	46.11
III	**Total Income (I+II)**		**4,781.73**	**4,243.93**
IV	**Expenses**			
	Cost of materials consumed	24	**2,412.64**	1,839.17
	Purchases of stock-in-trade	24	**47.40**	49.34
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	**(34.78)**	(8.95)
	Excise duty on sale of goods		**95.83**	314.79
	Employee benefits expense	25	**377.84**	341.90
	Finance costs	26	**97.97**	77.53
	Depreciation and amortisation expense	27	**278.11**	241.98
	Other expenses	28	**994.08**	840.10
	Total Expenses (IV)		**4,269.09**	**3,695.86**
V	**Profit before tax (III - IV)**		**512.64**	**548.07**
VI	**Tax Expense**	29		
	Current tax		**107.06**	116.49
	Deferred tax			
	MAT Credit		**(88.91)**	(58.89)
	Others		**88.83**	71.65
	Total tax expense		**106.98**	**129.25**
VII	**Profit for the period (V - VI)**		**405.66**	**418.82**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	- Gain / (loss) of defined benefit obligation	14	**(0.85)**	(0.54)
	- Gain / (loss) on change in fair value of equity instrument	14	**-**	(4.22)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30	**0.29**	0.13

Statement of Profit and Loss (Contd.)

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars		Note No.	Year ended March 31, 2018	Year ended March 31, 2017
B	(i) Items that will be reclassified to profit or loss			
	- Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	14	**(26.68)**	15.23
	(ii) Income tax relating to items that will be reclassified to profit or loss	30	**9.33**	(5.27)
	Total other comprehensive income for the period (A(i+ii) + B(i+ii))		**(17.91)**	**5.33**
IX	**Total comprehensive income for the period (VII + VIII)**		**387.75**	**424.15**
	Earning per equity share			
	Basic (in ₹)	36	**70.65**	72.94
	Diluted (in ₹)	36	**70.65**	72.94
	Accompanying notes forming part of the financial statements	1 to 39		

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

Vijay Agarwal
Partner

Place : Gurugram
Date : May 17, 2018

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Cash Flow Statement

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**512.64**	548.07
	Adjustments for:		
	Finance costs	**97.97**	77.53
	Interest Income	**(3.74)**	(4.16)
	Net gain on sale / discarding of property, plant and equipment	**(0.15)**	(0.40)
	Net gain on financial assets measured at FVTPL	**(9.95)**	(13.32)
	Provision for doubtful assets	**2.80**	0.16
	Depreciation and amortisation expense	**278.11**	241.98
	Property, plant and equipment and inventory discarded	**5.65**	2.15
	Provision / Liabilities no longer required written back	**(26.98)**	(0.31)
	Amortisation of upfront payment for Leasehold Land	**1.85**	1.61
	Net unrealised currency exchange fluctuation loss / (gains)	**1.51**	(8.25)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	**21.50**	(142.89)
	Inventories	**(100.83)**	(147.51)
	Loans (Current)	**(1.73)**	(3.12)
	Loans (Non-current)	**11.52**	(12.05)
	Other assets (Current)	**(219.61)**	(83.52)
	Other assets (Non-current)	**(22.39)**	16.93
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	**159.56**	136.98
	Provisions	**1.28**	3.57
	Other liabilities (Non-current)	**9.02**	5.38
	Other liabilities (Current)	**5.16**	46.59
	Cash generated from operations	**723.19**	**665.42**
	Income taxes paid	**(117.64)**	(115.92)
	Net cash generated by operating activities	**605.55**	**549.50**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of non-current investments	**-**	(25.01)
	Payment for purchase of mutual funds	**(530.00)**	(600.00)
	Proceeds from sale of mutual funds	**614.02**	627.55
	Purchase of current investments (others)	**-**	(24.40)
	Interest received	**4.64**	4.24
	Bank balances not considered as cash and cash equivalents	**(1.24)**	40.86
	Payment for purchase of property, pland and equipment, capital work in progress and other intangible assets	**(1,275.24)**	(619.29)
	Proceeds from disposal of property, plant and equipment	**0.89**	3.78
	Net cash used in investing activities	**(1,186.93)**	**(592.27)**

Cash Flow Statement (Contd.)

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C CASH FLOW FROM FINANCING ACTIVITIES*		
Proceeds from borrowings (Non-current)	**841.21**	-
Repayment of borrowings (Non-current)	**(362.54)**	(194.07)
Net proceeds / (repayment) from borrowings (Current)	**310.33**	173.27
Corporate dividend tax paid	**(14.03)**	(14.03)
Dividends on equity share capital paid	**(68.90)**	(68.90)
Finance costs paid	**(104.92)**	(85.95)
Net cash used in financing activities	**601.15**	**(189.68)**
Net increase / (decrease) in cash and cash equivalents	**19.77**	**(232.45)**
Cash and cash equivalents at the beginning of the year	**47.89**	280.34
Cash and cash equivalents at the end of the year	**67.66**	**47.89**

*The following table disclose below changes in liablities arising from financing activities, including both cash and non-cash changes:

Particulars	As at March 31, 2017	Cash flow from financing activities	Non-cash changes				As at March 31, 2018
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim Dividend declared ^	
Borrowings (non-current)*	1,308.91	478.67	2.38	27.13	-	-	**1,817.09**
Borrowings (current)	349.28	310.33	-	6.76	-	-	**666.37**
Interest accrued	5.27	(104.92)	-	-	121.58	-	**21.93**
Dividend and taxes thereon	6.32	(82.93)	-	-	-	82.93	**6.32**
	1,669.78	**601.15**	**2.38**	**33.89**	**121.58**	**82.93**	**2,511.71**

* including current maturity of long term debts
^ including taxes on dividend
# including amount capitalised

Accompanying notes forming part of the financial statements 1 to 39

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

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Place : Gurugram
Date : May 17, 2018

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2016	**58.44**
Changes in equity share capital during the year	-
Balance at March 31, 2017	**58.44**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**58.44**

(b) Other Equity

	Reserves and Surplus					Items of other comprehensive income		Total
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Effective portion of cash flow hedge	Equity instrument through other comprehensive income	
Balance at March 31, 2016	**219.19**	**523.54**	**10.48**	**50.00**	**1,941.40**	**0.58**	-	**2,745.19**
Profit for the year	-	-	-	-	418.82	-	-	**418.82**
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.41)	9.96	(4.22)	**5.33**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**418.41**	**9.96**	**(4.22)**	**424.15**
Payment of dividend (₹ 12/- per share)	-	-	-	-	(68.90)	-	-	**(68.90)**
Tax on Dividend	-	-	-	-	(14.03)	-	-	**(14.03)**
Balance at March 31, 2017	**219.19**	**523.54**	**10.48**	**50.00**	**2,276.88**	**10.54**	**(4.22)**	**3,086.41**
Profit for the year	-	-	-	-	405.66	-	-	**405.66**
Other comprehensive income for the year, net of income tax	-	-	-	-	(0.56)	(17.35)	-	**(17.91)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**405.10**	**(17.35)**	**-**	**387.75**
Payment of dividend (₹ 12/- per share)	-	-	-	-	(68.90)	-	-	**(68.90)**
Tax on Dividend	-	-	-	-	(14.03)	-	-	**(14.03)**
Transfer to debenture redemption reserve	-	-	-	75.00	(75.00)	-	-	**-**
Transfer from debenture redemption reserve	-	50.00	-	(50.00)	-	-	-	**-**
Balance at March 31, 2018	**219.19**	**573.54**	**10.48**	**75.00**	**2,524.05**	**(6.81)**	**(4.22)**	**3,391.23**
Accompanying notes forming part of the financial statements	1 to 39							

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

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
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Managing Director
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Deputy Managing Director
(DIN - 00008557)

Place : Gurugram
Date : May 17, 2018

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

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

A Corporate Information

SRF Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the 2013 Act"). The Company's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent and ultimate holding company is KAMA Holdings Limited.

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

The financial statements were approved for issue in accordance with a resolution of the directors on May 17, 2018.

B Significant Accounting Policies

1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments that are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

2 Basis of preparation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

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

3 Property, plant and equipment (PPE)

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

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

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

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

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

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

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

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

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

4 Depreciation

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

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

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

Freehold land is not depreciated

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

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

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

5 Intangible Assets

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

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised

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and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

6 Research and development expenditure

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

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

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

7 Goodwill

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

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

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

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

8 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

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

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

9 Leasing

Company as lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance

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of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Operating Leases as lessee:

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

Finance leases as lessee:

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

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

10 Borrowing costs

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

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

Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur.

11 Foreign Currencies

a) Functional and presentation currency

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

b) Transaction and balances

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

(i) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

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

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

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is charged off or credited to profit & loss account.

12 Inventories

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

(a) Raw materials and stores & spares - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

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

13 Provisions and Contingent Liabilities

Provisions

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

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

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

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

Contingent liability

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

14 Revenue recognition

a) Sale of goods

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

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

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the

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

b) Interest and dividend income

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

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

15 Taxation

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

a) Current tax

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

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

b) Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

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

16 Government grants

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

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

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

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

17 Employee benefits

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

In case of provident fund administered through Regional Provident Fund Commissioner, the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company's contributions paid / payable during the year to provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are recognised in the Statement of Profit and Loss as an expense when employees have rendered services entitling them to contributions.

Provision for gratuity, compensated absences, provident fund for certain category of employees administered through a recognised provident fund trust and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. It is included in retained earnings in the statement of changes in equity and in the balance sheet.

18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding

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during the period is adjusted for the effects of all dilutive potential equity shares.

19 Cash and cash equivalents

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

20 Financial instruments

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

A) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

a) At amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

Derecognition

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

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

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

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

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

Impairment of financial assets

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

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

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

B) Financial liabilities and Equity instruments

Initial recognition and measurement

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

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

Subsequent measurement

Borrowings

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

Trade and other payables

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

Offsetting of financial instruments

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified entity fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Equity instrument

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

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

21 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

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

Fair value hedges

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

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

Cash flow hedges

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

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

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

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

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

22 Fair value measurement

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

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

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

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

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

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

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

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

23 Applicability of New and Revised Ind AS

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from April 1, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks or rewards. The Company is evaluating the requirements of Ind AS 115 and its effect of the financial statements.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of appendix B to Ind AS 21 and its effect of the financial statements.

Amendment to Ind AS 7: Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting of a reconciliation between the opening and closing balances in Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements, refer Cash Flow Statement.

C. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Actual results may differ from the estimates.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

(i) Significant accounting judgements

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

(a) Contingent Liabilities

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

Notes to the Financial Statements

for the year ended March 31, 2018

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its financial statements unless the loss becomes probable.

(ii) Significant estimates and assumptions

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

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

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

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

(b) Taxes

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

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

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

Notes to the Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

2 Property, Plant and Equipment and Capital Work-in-Progress

	As at March 31, 2018	As at March 31, 2017
Freehold Land	**317.55**	317.81
Roads	**47.19**	43.65
Buildings	**572.20**	517.77
Plant & Equipment	**3,229.63**	2,603.14
Furniture & Fixtures	**16.91**	15.66
Office Equipment	**22.82**	20.06
Vehicle	**21.99**	16.70
	4,228.29	**3,534.79**
Capital Work in Progress	**556.93**	**271.83**

	Freehold Land	Roads	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Total
Cost								
Balance at March 31, 2016	**317.42**	**42.16**	**474.87**	**2,540.78**	**15.37**	**21.38**	**20.55**	**3,432.53**
Additions / Adjustments (note v & viii)	0.39	3.53	75.30	454.04	3.41	9.38	8.75	554.80
Disposals	-	-	(1.78)	(9.61)	(0.01)	(0.72)	(2.36)	(14.48)
Balance at March 31, 2017	**317.81**	**45.69**	**548.39**	**2,985.21**	**18.77**	**30.04**	**26.94**	**3,972.85**
Additions / Adjustments (note v & viii)	-	4.90	73.67	868.74	3.47	10.16	13.70	974.64
Disposals	(0.26)	(0.22)	(1.70)	(14.89)	(0.06)	(0.25)	(4.99)	(22.37)
Balance at March 31, 2018	**317.55**	**50.37**	**620.36**	**3,839.06**	**22.18**	**39.95**	**35.65**	**4,925.12**
Accumulated depreciation and impairment								
Balance at March 31, 2016	**-**	**0.30**	**15.72**	**195.26**	**1.44**	**4.74**	**5.47**	**222.93**
Depreciation expenses (note v & viii)	-	1.74	15.73	193.35	1.67	5.79	5.79	224.07
Disposals	-	-	(0.83)	(6.54)	-	(0.55)	(1.02)	(8.94)
Balance at March 31, 2017	**-**	**2.04**	**30.62**	**382.07**	**3.11**	**9.98**	**10.24**	**438.06**
Depreciation expenses (note v & viii)	-	1.15	17.57	229.49	2.18	7.27	6.43	264.09
Disposals	-	(0.01)	(0.03)	(2.13)	(0.02)	(0.12)	(3.01)	(5.32)
Balance at March 31, 2018	**-**	**3.18**	**48.16**	**609.43**	**5.27**	**17.13**	**13.66**	**696.83**
Carrying Amount								
Balance at March 31, 2016	**317.42**	**41.86**	**459.15**	**2,345.52**	**13.93**	**16.64**	**15.08**	**3,209.60**
Additions / Adjustments (note v & viii)	0.39	3.53	75.30	454.04	3.41	9.38	8.75	554.80
Disposals	-	-	(0.95)	(3.07)	(0.01)	(0.17)	(1.34)	(5.54)
Depreciation expenses (note v & viii)	-	(1.74)	(15.73)	(193.35)	(1.67)	(5.79)	(5.79)	(224.07)
Balance at March 31, 2017	**317.81**	**43.65**	**517.77**	**2,603.14**	**15.66**	**20.06**	**16.70**	**3,534.79**
Additions / Adjustments (note v & viii)	-	4.90	73.67	868.74	3.47	10.16	13.70	974.64
Disposals	(0.26)	(0.21)	(1.67)	(12.76)	(0.04)	(0.13)	(1.98)	(17.05)
Depreciation expenses (note v & viii)	-	(1.15)	(17.57)	(229.49)	(2.18)	(7.27)	(6.43)	(264.09)
Balance at March 31, 2018	**317.55**	**47.19**	**572.20**	**3,229.63**	**16.91**	**22.82**	**21.99**	**4,228.29**

Notes to the Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Notes:

(i) Borrowing cost capitalised to capital work in progress during the year ₹ 31.25 Crores (2017: ₹ 11.85 Crores).

(ii) The deed of assignment in respect of freehold land at Manali, Chennai has been executed in respect of 135.02 acres (2017: 135.02 acres). In addition to aforesaid extent, 1.47 acres were handed over to SRF limited under a land delivery receipt. During the previous year the Company has sold 1.03 acres of land. Thus, the Company is in possession of 135.46 acres of industrial land at Manali, Chennai.

(iii) Conveyancing of buildings and other superstructures located at Company's plant at Malanpur in the state of Madhya Pradesh including immovable machinery is linked to the Stamp duty matter (Refer to note 31 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) Capital expenditure incurred during the year includes ₹ 16.03 Crores (2017 - ₹ 65.27 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 39 (a) below.

(vi) Capital work in progress includes pre-operative expenses of ₹ 20.13 Crores (2017: ₹ 6.35 Crores)

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

(viii) Refer to note 39 (c) for additions / deletions on account of exchange difference during the year.

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

3 Goodwill

	As at March 31, 2018	As at March 31, 2017
Cost	**1.41**	1.41
Accumulated impairment losses	**-**	-
	1.41	1.41
Cost		
Balance at March 31,2016	**1.41**	
Additions	**-**	
Disposals	**-**	
Balance at March 31,2017	**1.41**	
Additions	**-**	
Disposals	**-**	
Balance at March 31,2018	**1.41**	
Accumulated Impairment losses		
Balance at March 31,2016	**-**	
Additions	**-**	
Disposals	**-**	
Balance at March 31,2017	**-**	
Additions	**-**	
Disposals	**-**	
Balance at March 31,2018	**-**	

(All amounts in ₹ Crores, unless otherwise stated)

Allocation of goodwill to cash generating units (CGU):

Goodwill has been allocated for impairment testing purposes to the following cash generating units.

- Engineering plastics business
- Industrial yarn business

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

	As at March 31, 2018	As at March 31, 2017
Engineering plastics units	**0.79**	0.79
Industrial yarn unit	**0.62**	0.62
	1.41	**1.41**

Engineering plastics units

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2017: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period.

Based on the above impairment testing no impairment losses have been recognised.

Industrial yarn unit

The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2017: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period.

Based on the above impairment testing no impairment losses have been recognised.

4 Other Intangible Assets

	As at March 31, 2018	As at March 31, 2017
Trade Marks/Brands	**64.22**	67.59
Technical Knowhow	**40.82**	0.84
Software	**7.35**	7.83
Others	**0.34**	4.49
	112.73	**80.75**

	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at March 31, 2016	**75.74**	**2.98**	**15.13**	**18.88**	**112.73**
Additions / Adjustments*	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-
Balance at March 31, 2017	**75.21**	**2.98**	**20.20**	**18.74**	**117.13**

Notes to the Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Additions / Adjustments*	0.04	41.55	4.42	-	46.01
Disposals	-	-	(0.08)	-	(0.08)
Balance at March 31, 2018	**75.25**	**44.53**	**24.54**	**18.74**	**163.06**
Accumulated amortisation and impairment					
Balance at March 31, 2016	**4.01**	**1.07**	**6.43**	**6.96**	**18.47**
Amortisation expenses	3.61	1.07	5.94	7.29	17.91
Disposals	-	-	-	-	-
Balance at March 31, 2017	**7.62**	**2.14**	**12.37**	**14.25**	**36.38**
Amortisation expenses	3.41	1.57	4.89	4.15	14.02
Disposals	-	-	(0.07)	-	(0.07)
Balance at March 31, 2018	**11.03**	**3.71**	**17.19**	**18.40**	**50.33**
Carrying Amount					
Balance at March 31, 2016	**71.73**	**1.91**	**8.70**	**11.92**	**94.26**
Additions / Adjustments*	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-
Amortisation expenses	(3.61)	(1.07)	(5.94)	(7.29)	(17.91)
Balance at March 31, 2017	**67.59**	**0.84**	**7.83**	**4.49**	**80.75**
Additions / Adjustments*	0.04	41.55	4.42	-	46.01
Disposals	-	-	(0.01)	-	(0.01)
Amortisation expenses	(3.41)	(1.57)	(4.89)	(4.15)	(14.02)
Balance at March 31, 2018	**64.22**	**40.82**	**7.35**	**0.34**	**112.73**

* Refer to note 39 (c) for additions / deletions on account of exchange difference during the year.

5 Investments

	As at March 31, 2018	As at March 31, 2017
Non-current		
Investment in equity instruments		
Subsidiary companies	**83.60**	83.60
Others	**0.12**	0.12
Other Investments	**-**	25.00
	83.72	**108.72**
Current		
Investment in mutual funds	**94.07**	146.36
Other Investments	**27.63**	24.40
	121.70	**170.76**
Aggregate value of unquoted investments	**111.35**	133.12
Aggregate value of unquoted mutual funds	**94.07**	146.36
Aggregate value of diminution other than temporary, in value of investments	**4.34**	4.34

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for the year ended March 31, 2018
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5.1 Investment in subsidiaries
Break-up of investment in subsidiaries (carrying amount at cost)

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of SRF Holiday Home Limited (A wholly owned subsidiary)	**40,00,000**	**4.00**	40,00,000	4.00
Equity shares of Euro 100 each fully paid up of SRF Global BV (A wholly owned subsidiary)	**1,28,920**	**79.60**	1,28,920	79.60
		83.60		**83.60**

5.2 Other equity instruments
Investment in equity instruments at fair value through other comprehensive income

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	**42,21,535**	**4.22**	42,21,535	4.22
Less : Diminution in value		**(4.22)**		(4.22)
Equity Share of ₹ 10 Each Vaayu Renewable Energy (Tapti) Private Limited	**50,000**	**0.05**	50,000	0.05
Equity Shares of ₹ 10 Each Suryadev Alloys & Power Private Limited	**4,000**	**0.06**	4,000	0.06
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	**6,70,000**	**0.12**	6,70,000	0.12
Less : Diminution in value		**(0.12)**		(0.12)
Class A Equity shares of ₹ 0.10 each fully paid up of OPGS Power Gujarat Private Limited	**4,75,000**	**0.01**	4,75,000	0.01
		0.12		**0.12**

5.3 Investment in mutual funds

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Unquoted Investments (Current)				
Investments at Fair Value Through Profit and Loss				
ICICI Prudential P1543 Saving Fund-Growth Plan	**36,12,365**	**94.07**	36,12,365	88.34
Religare Invesco Credit Opportunities Fund-Growth Plan	**-**	**-**	3,12,529	58.02
		94.07		**146.36**

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

5.4 Other Investments

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Non convertible debentures of Rs.1,00,000 each of Reliance Capital Limited*	-	-	2,500	25.00
		-		**25.00**
Unquoted investments (Current)				
Commercial papers of Reliance Infrastructure Limited	-	-	-	24.40
Non convertible debentures of Rs.1,00,000 each of Reliance Capital Limited*	**2,500**	**27.63**	-	-
		27.63		**24.40**

* Investment reclassified from Amortised Cost to Fair Value through Profit and Loss

6 Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Non- current		
Loans to Employees	**6.65**	6.39
Security Deposits	**23.86**	35.64
Others		
- Considered Good	**-**	-
- Considered Doubtful	**0.15**	0.15
Less : Provision for Doubtful Loans	**(0.15)**	(0.15)
	30.51	**42.03**
Current		
Loans to Employees	**5.37**	5.64
Security Deposits	**7.30**	6.41
Others		
- Considered Good	**-**	-
- Considered Doubtful	**2.74**	2.74
Less : Provision for Doubtful Loans	**(2.74)**	(2.74)
	12.67	**12.05**

7 Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Current		
Derivatives designated and effective as hedging instruments carried at fair value through Profit & Loss		
- Foreign currency forward contracts designated in hedge accounting relationships	**1.44**	5.07

Notes to the Financial Statements
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	As at March 31, 2018	As at March 31, 2017
Derivatives designated and effective as hedging instruments carried through other comprehensive income		
- Foreign currency forward contracts designated in hedge accounting relationships	**4.55**	11.30
- Interest rate swaps designated in hedge accounting relationships	**7.05**	4.80
Recoverable from Related Parties	**4.06**	6.11
Insurance Claim recoverable	**31.34**	30.12
Others	**2.34**	5.25
	50.78	**62.65**

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

	As at March 31, 2018	As at March 31, 2017
Non-Current		
Capital Advances	**57.99**	33.79
Prepaid expenses	**0.04**	0.10
CENVAT / Service tax / Goods and Services Tax / Sales tax recoverable	**27.63**	19.59
Prepaid lease*	**94.37**	92.83
Claims recoverable (Post EPCG scheme and others)	**17.65**	6.63
	197.68	**152.94**
Current		
Prepaid expenses	**10.63**	6.89
CENVAT / Service tax / Goods and Services Tax / Sales tax recoverable	**285.84**	107.54
Export incentives recoverable	**88.38**	55.52
Deposits with customs and excise authorities	**7.12**	7.64
Advance to suppliers	**52.75**	33.53
Prepaid lease*	**1.28**	1.35
Others	**17.46**	9.04
	463.46	**221.51**

* The execution of lease deed of land in respect of 919370 sq. mtrs. (2017: 911336 sq. mtrs.) of leasehold land allotted to the Company by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

9 Inventories
(Lower of cost and net realisable value)

	As at March 31, 2018	As at March 31, 2017
Raw material	**420.79**	367.19
Stock in progress	**89.02**	75.52
Finished goods	**156.18**	149.01
Stores and spares	**159.95**	133.89
Traded goods	**1.68**	1.87
	827.62	**727.48**
Included above, goods-in-transit:		

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	As at March 31, 2018	As at March 31, 2017
Raw material	**160.40**	144.41
Stock in progress	**0.08**	1.04
Finished goods	**26.32**	8.96
Stores and spares	**0.05**	0.07
	186.85	**154.48**

Notes

(i) The cost of inventories recognised as an expense during the year is ₹ 3,672.23 Crores (2017: ₹ 2,957.89 Crores)

(ii) The cost of inventories recognised as an expense includes ₹ 1.64 Crores (2017: ₹ 1.98 Crores) in respect of write-downs of inventory to net realisable value.

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

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

10 Trade Receivables

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	**491.41**	514.59
Unsecured, considered doubtful	**1.11**	1.50
Less: Allowance for doubtful debts	**(1.11)**	(1.50)
	491.41	**514.59**

Notes

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

(ii) Age of receivables :

	As at March 31, 2018	As at March 31, 2017
Within the credit period	**359.79**	468.33
1 to 180 days past due	**131.23**	42.92
More than 180 days past due	**1.50**	4.84
	492.52	**516.09**

(iii) The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31, 2018 are of ₹ 437.72 Crores (March 31, 2017: ₹ 185.46 Crores). The Company has derecognised these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company. Under these agreements, the banks have the right to serve notice of recovery to the Company only in the case of performance disputes. The Company is of view that there is no such condition of 'performance default' and therefore there would not be any recourse on the Company, accordingly these receivables have been netted off.

(iv) A customer represents 11.31% (March 31, 2017 : None) of the total balances of trade receivables.

11 Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Current accounts	**47.70**	39.27
Exchange Earners Foreign Currency (EEFC) accounts	**19.46**	8.04
Cash in hand	**0.50**	0.58
	67.66	**47.89**

Notes to the Financial Statements

for the year ended March 31, 2018
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12 Other Bank Balances

	As at March 31, 2018	As at March 31, 2017
Earmarked Balances		
- Margin money	**3.41**	2.17
- Unclaimed dividend accounts	**6.32**	6.32
	9.73	**8.49**

13 Share Capital

	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
12,00,00,000 (Previous Year - 12,00,00,000) Equity shares of ₹ 10 each	**120.00**	120.00
10,00,000 (Previous Year - 10,00,000) Preference shares of ₹ 100 each	**10.00**	10.00
12,00,000 (Previous Year - 12,00,000) Cumulative Preference shares of ₹ 50 each	**6.00**	6.00
2,00,00,000 (Previous Year - 2,00,00,000) Cumulative Preference shares of ₹ 100 each	**200.00**	200.00
	336.00	**336.00**
Issued share capital:		
6,14,77,255 (Previous Year - 6,14,77,255) Equity Shares of ₹ 10 each	**61.48**	61.48
Subscribed capital:		
5,74,20,500 (Previous Year - 5,74,20,500) Equity Shares of ₹ 10 each fully paid up	**57.42**	57.42
Add: Forfeited shares - Amount originally paid up	**1.02**	1.02
	58.44	**58.44**

13.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2016	**5,74,20,500**	**57.42**
Add / Less: Movement during the year	-	-
Balance at March 31, 2017	**5,74,20,500**	**57.42**
Add / Less: Movement during the year	-	-
Balance at March 31, 2018	**5,74,20,500**	**57.42**

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

Terms/ rights attached to equity shares :

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

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for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

During the year ended March 31, 2018, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 12 per share (2017: ₹ 12 per share).

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

13.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2018	
KAMA Holdings Limited, the Holding Company	3,00,49,000
As at March 31, 2017	
KAMA Holdings Limited, the Holding Company	3,00,49,000

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
Kama Holdings Limited	**3,00,49,000**	**52.33%**	3,00,49,000	52.33%
Amansa Holding Private Limited	**44,42,241**	**7.74%**	37,29,559	6.50%
DSP Blackrock Mutual Fund (through various schemes)	**2,951,511**	**5.14%**	2,293,789	3.99%

14 Other Equity

	As at March 31, 2018	As at March 31, 2017
General reserve	**573.54**	523.54
Retained earnings	**2,524.05**	2,276.88
Cash flow hedging reserve	**(6.81)**	10.54
Capital redemption reserve	**10.48**	10.48
Capital reserve	**219.19**	219.19
Debenture redemption reserve	**75.00**	50.00
Reserve for equity instruments through other comprehensive income	**(4.22)**	(4.22)
	3,391.23	**3,086.41**

14.1 General reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**523.54**	523.54
Transfer from debenture redemption reserve	**50.00**	-
Balance at end of year	**573.54**	**523.54**

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

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

14.2 Retained earnings

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**2,276.88**	1,941.40
Profit for the year	**405.66**	418.82
Other comprehensive income arising from remeasurement of defined benefit obligation*	**(0.56)**	(0.41)
Payment of dividend on equity shares	**(68.90)**	(68.90)
Corporate tax on dividend	**(14.03)**	(14.03)
Transfer to Debenture Redemption Reserve	**(75.00)**	-
Balance at end of year	**2,524.05**	**2,276.88**

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. The amounts reported above are not distributable in entirety.

* net of income tax of ₹ 0.29 crore (2017: ₹ 0.13 crore)

14.3 Cash flow hedging reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**10.54**	0.58
Recognised / (released) during the year	**(26.68)**	15.23
Income tax related to above	**9.33**	(5.27)
Balance at end of year	**(6.81)**	**10.54**

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

14.4 Capital redemption reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**10.48**	10.48
Movement	**-**	-
Balance at end of year	**10.48**	**10.48**

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

14.5 Capital reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**219.19**	219.19
Movement	**-**	-
Balance at end of year	**219.19**	**219.19**

Notes to the Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

14.6 Debenture redemption reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**50.00**	50.00
Transfer from retained earnings	**75.00**	-
Transfer to general reserve	**(50.00)**	**-**
Balance at end of year	**75.00**	**50.00**

The Company has issued non-convertible debentures and as per the provisions of the 2013 Act, it is required to create debenture redemption reserve out of the profits of the Company available for payment of dividend.

14.7 Reserve for equity instruments through other comprehensive income

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**(4.22)**	-
Net fair value gain on investment in equity instruments at FVTOCI	**-**	(4.22)
Balance at end of year	**(4.22)**	**(4.22)**

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

15 Borrowings

	As at March 31, 2018	As at March 31, 2017
Non-current		
Secured		
3,000 Nos., 7.33% (2017: 2,000 Nos., 9.80%), listed, secured Redeemable Non-convertible Debentures of ₹ 10 lakhs each [1]*	**299.75**	199.92
Term Loans from banks [2]*	**1,245.66**	827.02
Term Loans from others [3]*	**258.94**	257.00
Less: Current maturities of non-current borrowings*	**(312.52)**	(348.91)
	1,491.83	**935.03**
* Above amount of borrowings are net of upfront fees paid ₹ 7.74 Crores (March 31, 2017 - ₹ 4.95 Crores)		
Unsecured		
Deferred payment liabilities	12.74	24.97
	12.74	**24.97**
	1,504.57	**960.00**
Current		
Secured		
Cash credits from banks [4(i)]	**94.99**	10.12
Term loans from banks [4 (ii)]	**104.75**	183.66
	199.74	**193.78**
Unsecured		
Term loans from banks*	**466.63**	155.50
	466.63	**155.50**
	666.37	**349.28**

* Includes ₹ 100 Crores (As on March 31, 2017 - Nil) for Commercial Paper issued by the Company. The maximum amount due during the year is ₹ 300.00 Crores (2016-17 - ₹ 125.00 Crores)
There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

15.1 Details of security of the secured loans:

A As at March 31, 2018 and March 31, 2017

	Loan	As at March 31, 2018	As at March 31, 2017	Security
1	2,000 (Previous Year –2,000), 9.80%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	-	200.00	Debentures are secured by legal mortgage in English form on certain immoveable properties of the Company situated in Gujarat. In addition, these debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	Terms and conditions			
	a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.			
	b) Coupon is payable Semi-annually on 25th March and 25th September every year.			
	3,000 (Previous Year –Nil), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	**300.00**	-	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	Terms and conditions			
	a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.			
	b) Coupon is payable annually on 30th June every year.			

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

		Loan	As at March 31, 2018	As at March 31, 2017	Security
2	(i)	Term loan from Banks	**1192.84**	745.50	(a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1029.95 Crores (Previous Year – ₹ 518.73 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur, Pantnagar in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets)
					Out of the loans as at 2(i)(a)(i), loans aggregating to ₹ 162.89 Crores (Previous Year – ₹ 226.77 Crores) are to be additionally secured by hypothecation of Company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).
					(a)(ii) Out of the loans as at 2(i) loans aggregating to ₹ 1192.84 Crores (Previous Year – ₹ 745.50 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand
					Out of the loans as at 2(i)(a)(ii) loans aggregating to ₹ 1144.34 Crores (Previous Year – ₹ 695.50 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
					Out of the loans as at 2(i)(a)(ii) loans aggregating to ₹ 426.06 Crores (Previous Year – ₹ 546.48 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
					Out of the loans as at 2(i)(a)(ii), the term loans aggregating to: a) ₹ 36.32 Crores (Previous Year – ₹ 76.02 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu, Special Economic Zone, Indore in the State of Madhya Pradesh and at Pantnagar in the state of Uttarakhand.
					(b) ₹ 48.50 Crores (Previous Year – ₹ 50.00 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.

		Loan	As at March 31, 2018	As at March 31, 2017	Security
	(ii)	Term loans from banks	**58.63**	84.23	Term loans from banks aggregating to ₹ 58.63 Crores (Previous Year – ₹ 84.23 Crores) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.
3		Term loans from others	**260.62**	259.16	Loan of ₹ 260.62 Crores (Previous Year – ₹ 259.16 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4	(i)	(Cash credit/working capital demand loans	**94.99**	10.12	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	**104.75**	183.66	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.
			2011.83	**1482.67**	

Such hypothecation and equitable mortgage rank pari-passu between term loans from banks / other (save and except hypothecation of certain movable assets at Dahej in the State of Gujarat in favour of a bank as at 2(ii) above and hypothecation and equitable mortgage of certain moveable and immovable assets at Dhar in the State of Madhya Pradesh in favour of others as at 3 above)

Notes to the Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

15.2 Terms of repayment of loan

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2019	Up to March 31, 2020	Up to March 31, 2021	From 2021 and onwards
Redeemable Non-Convertible Debentures	Redeemable at face value on maturity	7.33%	-	-	300.00	-
Rupee term loans	Half yearly payments	8.60% to 11.00%	9.81	4.97	5.00	38.50
	Quarterly payments	7.05%	0.30	25.05	49.80	74.70
Foreign currency term loans	Quarterly	0.94%	-	-	63.56	340.01
	Half yearly instalments	Libor plus interest rate spread ranging from 1.30 % to 1.85%	122.32	161.44	99.90	156.40
	Annual Instalments	Libor plus interest rate 1.60%	32.58	-	-	-
	Payable in one installment on maturity	Fixed 0.05% to Libor plus interest rate spread of 2.25%	149.86	162.89	-	15.00
			314.87	**354.35**	**518.26**	**624.61**

Current Borrowings

Short term borrowings are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from Euribor + 15 bps to Euribor + 18 bps and from Libor to Libor + 50 bps. For rupee denominated short term loans taken during the year interest rate is at 6.28% to 8.25%.

16 Provisions

	As at March 31, 2018	As at March 31, 2017
Non-Current		
Provision for employee benefits		
Provision For Leave encashment	**23.11**	21.05
Provision For Retention pay	**1.76**	1.20
	24.87	**22.25**
Current		
Provision for employee benefits		
Provision For Leave encashment	**3.70**	4.12
Provision For Retention pay	**0.09**	1.01
	3.79	**5.13**

Notes to the Financial Statements

for the year ended March 31, 2018

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17 Deferred Tax Balances

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

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	**260.91**	169.16
Deferred tax liabilities	**(516.41)**	(434.07)
Total	**(255.50)**	**(264.91)**

2017-18	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
Deferred tax assets				
Expenses deductible in future years	**12.60**	1.24	-	**13.84**
Provision for doubtful debts / advances	**0.54**	(0.15)	-	**0.39**
MAT Credit Entitlement	**154.32**	88.91	-	**243.23**
Others	**1.70**	1.75	-	**3.45**
	169.16	**91.75**	**-**	**260.91**
Deferred tax liabilities				
Property, plant and equipment and intangible assets	**(422.64)**	(90.33)	-	**(512.97)**
Investment in mutual funds	**(4.77)**	(1.23)	-	**(6.00)**
Cash flow hedges	**(5.57)**	-	9.33	**3.76**
Others	**(1.09)**	(0.11)	-	**(1.20)**
	(434.07)	**(91.67)**	**9.33**	**(516.41)**
Total	**(264.91)**	**0.08**	**9.33**	**(255.50)**

2016-17	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
Deferred tax assets				
Expenses deductible in future years	**10.86**	1.74	-	**12.60**
Provision for doubtful debts / advances	**0.74**	(0.20)	-	**0.54**
MAT Credit Entitlement	**95.43**	58.89	-	**154.32**
Others	**1.39**	0.31	-	**1.70**
	108.42	**60.74**	**-**	**169.16**
Deferred tax liabilities				
Property, plant and equipment and intangible assets	**(352.77)**	(69.87)	-	**(422.64)**
Investment in mutual funds	**(1.05)**	(3.72)	-	**(4.77)**
Cash flow hedges	**(0.30)**	-	(5.27)	**(5.57)**
Others	**(1.18)**	0.09	-	**(1.09)**
	(355.30)	**(73.50)**	**(5.27)**	**(434.07)**
Total	**(246.88)**	**(12.76)**	**(5.27)**	**(264.91)**

Note:

There are capital losses of ₹ 277.45 Crores (March 31, 2017: ₹ 286.27 Crores) on which no deferred tax asset has been created due to lack of probability of future capital gains against which such deferred tax assets can be realised. These capital losses would expire upto financial year ending March 31, 2023.

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

18 Trade Payables

	As at March 31, 2018	As at March 31, 2017
Outstanding dues to Micro and Small enterprises #	**19.35**	7.45
Outstanding dues to parties other than Micro and Small enterprises	**785.52**	637.86
	804.87	**645.31**

Refer note 18.1

18.1 Dues To micro, small and medium enterprises

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

	As at March 31, 2018	As at March 31, 2017
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	**42.40**	21.49
- Interest due thereon	**0.70**	0.19
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	**31.60**	28.04
- Interest actually paid under section 16 of MSMED	**-**	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	**0.38**	0.51
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	**1.08**	0.70
- Interest remaining unpaid as at the end of the year	**2.19**	1.11
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	**1.08**	0.70

19 Other Financial Liabilities

	As at March 31, 2018	As at March 31, 2017
Current		
Current maturities of non-current borrowings	**312.52**	348.91
Interest accrued	**21.93**	5.27
Unpaid dividends*	**6.32**	6.32
Security deposits	**6.26**	6.14
Payables to capital creditors		
Outstanding dues to Micro and Small enterprises #	**25.24**	15.15
Outstanding dues to parties other than Micro and Small enterprises	**76.00**	67.59
Unearned guarantee commission@	**5.73**	6.68
Others	**0.24**	0.54
Total other financial liabilities	**454.24**	**456.60**

* Will be credited to investor education and protection fund if not claimed within seven years from the date of issue of dividend/interest warrant and the date the fixed deposits have matured.

Refer note 18.1

@ pertains to guarantees given for subsidiaries

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

20 Current Tax Assets and Liabilities

	As at March 31, 2018	As at March 31, 2017
Current tax assets		
Taxes paid (net) - current	**17.71**	**9.92**
Current tax liablities		
Income-tax payable (net)	**10.53**	**13.61**

21 Other Liabilities

	As at March 31, 2018	As at March 31, 2017
Non-current		
Deferred government grants*	**14.40**	5.38
	14.40	**5.38**
Current		
Advances received from customers	**28.72**	25.01
Statutory remittances	**21.26**	27.99
Other taxes payables	**28.47**	41.25
Gratuity	**6.75**	6.24
	85.20	**100.49**

* The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2018 is ₹ 145.68 Crores (Previous Year - ₹ 104.93 Crores).

22 Revenue from Operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)*		
Manufactured goods	**4,534.46**	4,044.75
Traded goods	**69.41**	73.96
	4,603.87	**4,118.71**
Other operating revenues		
Claims	**0.74**	0.41
Export incentives	**44.87**	44.00
Scrap sales	**18.16**	9.30
Other operating income	**10.29**	25.40
	74.06	**79.11**
	4,677.93	**4,197.82**

* Consequent to introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of revenue. Accordingly, the figures for the periods upto June 30, 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

		Year ended March 31, 2018	Year ended March 31, 2017
A.	Sale of products	**4,603.87**	4,118.71
B.	Excise duty on sale of goods	**95.83**	314.79
C.	Sale of products excluding excise duty [A-B]	**4,508.04**	**3,803.92**

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

23 Other Income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income*		
- from customers	**0.08**	0.14
- on loans and deposits	**0.88**	1.28
- on others	**2.78**	2.74
Other non-operating income	**25.21**	9.00
Other gains and losses		
Net gain on sale/discarding of property, plant and equipment	**0.15**	0.40
Net gain on financial assets measured at FVTPL	**9.95**	13.32
Net currency exchange fluctuation gains	**37.77**	18.92
Provision / Liabilities no longer required written back	**26.98**	0.31
	103.80	**46.11**

* Pertains to assets at amortised cost

24.1 Cost of Materials Consumed

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock of raw materials	**367.19**	246.93
Add: Purchases of raw materials	**2,466.24**	1,959.43
	2,833.43	**2,206.36**
Less: Closing stock of raw materials	**420.79**	367.19
Cost of materials consumed	**2,412.64**	**1,839.17**

24.2 Purchases of Stock in Trade

	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	**47.40**	49.34
	47.40	**49.34**

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

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year:		
Stock-in-Process	**89.02**	75.52
Finished goods	**156.18**	149.01
Traded goods	**1.68**	1.87
Less: Excise duty on finished goods	**-**	(14.30)
	246.88	**212.10**
Inventories at the beginning of the year:		
Stock-in-Process	**75.52**	54.44
Finished goods	**149.01**	159.96
Traded goods	**1.87**	2.64
Less: Excise duty on finished goods	**(14.30)**	(13.89)
	212.10	**203.15**
Net (increase) / decrease	**(34.78)**	**(8.95)**

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

25 Employee Benefits Expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus	**312.38**	282.22
Contribution to provident and other funds	**23.22**	20.44
Workmen and staff welfare expenses	**42.24**	39.24
	377.84	**341.90**

26 Finance Cost

	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost*	**81.69**	65.83
Other borrowing costs	**10.19**	9.02
Exchange differences regarded as an adjustment to borrowing costs	**6.09**	2.68
	97.97	**77.53**

* includes unwinding of deferred payment liability and pertains to liabilities at amortised cost

27 Depreciation and Amortisation Expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property,plant and equipment	**264.09**	224.07
Amortisation of intangible assets	**14.02**	17.91
	278.11	**241.98**

28 Other Expense

	Year ended March 31, 2018	Year ended March 31, 2017
Stores and Spares consumed	**42.62**	33.07
Power and Fuel	**432.78**	354.16
Rent	**20.45**	18.40
Repairs and Maintenance		
- Buildings	**3.61**	3.85
- Plant and machinery	**117.23**	108.97
- Others	**29.75**	28.06
Insurance	**14.94**	12.27
Rates and taxes	**5.46**	15.32
Freight	**177.44**	127.91
Expenditure on Corporate Social Responsibility	**5.00**	7.60
Professional and legal charges	**30.13**	24.77
Contract conversion charges	**2.56**	3.35
Travel	**15.95**	17.72
Directors' sitting fees	**0.19**	0.19
Selling commission	**8.66**	5.50
Bad debts / advances written off	**2.80**	0.53

Notes to the Financial Statements

for the year ended March 31, 2018
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	Year ended March 31, 2018	Year ended March 31, 2017
Fixed assets/inventory provided / written off	**5.65**	2.58
Auditor Remuneration		
- Audit Fees	**0.59**	0.66
- For limited review of unaudited financial results	**0.33**	0.45
- For Corporate governance, consolidated financial statements and other certificates	**0.08**	0.08
- For tax audit	**0.10**	0.12
- Reimbursement of out of pocket expenses	**0.06**	0.02
Miscellaneous expenses	**77.70**	74.52
	994.08	**840.10**

29 Income Tax Recognised in Profit and Loss

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In relation to current year	**109.52**	116.49
In relation to earlier years	**(2.46)**	-
	107.06	**116.49**
Deferred tax		
In relation to current year		
MAT credit	**(49.17)**	(58.89)
Others	**83.57**	71.65
In relation to earlier years		
MAT credit*	**(39.74)**	-
Others	**5.26**	-
	(0.08)	**12.76**
	106.98	**129.25**

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

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	**512.64**	**548.07**
Income Tax Expense @ 34.608% (2017: 34.608%)	**177.41**	189.68
Weighted deduction under section 35(2AB) and 80-IA	**(36.70)**	(36.38)
Investment allowance on plant and machinery	**-**	(22.39)
Effect of expenses that are not deductible in determining taxable profit	**1.04**	3.12
Effect of deductions under the tax laws	**(2.98)**	(4.43)
Effect of change in tax rate	**4.90**	-
Others	**0.25**	(0.35)
Income tax expenses recognised in profit and loss in relation to current year	**143.92**	**129.25**
Income tax expenses recognised in profit and loss in relation to earlier years*	**(36.94)**	-
Total Income tax expenses recognised in profit and loss	**106.98**	**129.25**

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for the year ended March 31, 2018

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The tax rate used for the current year reconciliation above is the corporate tax rate of 34.608% (2017: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

*This amount includes tax credit of ₹ 33.97 Crores which is related to finalization and determination of deduction claimed for earlier years of benefits as per Section 80-IA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on court judgments, opinion from external tax experts, finalization of transfer pricing study and cost audit of the respective years.

30 Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2018	Year ended March 31, 2017
Arising on income and expense recognised in other comprehensive income		
Net gain on designated portion of hedging instruments in cash flow hedges	**9.33**	(5.27)
Remeasurement of defined benefit obligation	**0.29**	0.13
	9.62	**(5.14)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	**9.33**	(5.27)
Items that will not be reclassified to profit or loss	**0.29**	0.13
	9.62	**(5.14)**

31 Contingent Liabilities and Commitments

a. Claims against the Company not acknowledged as debts:

	Year ended March 31, 2018	Year ended March 31, 2017
Excise duty, custom duty and service tax*@	**22.94**	70.12
Sales tax and entry tax (refer note 'b' below)**@	**63.19**	124.26
Income Tax****	**8.58**	7.93
Stamp Duty*****	**28.81**	28.81
Others***	**0.94**	1.01

* Amount deposited ₹ 7.49 Crores (2017 : ₹ 8.60 Crores)

** Amount deposited ₹ 21.76 Crores (2017 : ₹ 12.39 Crores)

*** Amount deposited ₹ 0.08 Crores (2017 : ₹ 0.08 Crores)

**** Amount deposited ₹ 6.07 Crores (2017 : ₹ 6.48 Crores)

***** In the matter of acquisition of the Tyrecord Division at Malanpur from CEAT Limited the Collector of Stamps, Bhind (Madhya Pradesh) has by his order dated 07.11.2001 assessed the value of the subject matter of the Deed of Conveyance dated 13.06.1996 at ₹ 303.00 Crores and levied a stamp duty of ₹ 23.73 Crores and imposed a penalty of ₹ 5.09 Crores. The said demand was challenged before the Hon'ble High Court of Madhya Pradesh Bench at Gwalior. The Hon'ble High Court of Madhya Pradesh accepted the case of the Company that the subject matter of the Deed of Conveyance dated 13.06.1996 is only the superstructures valued at ₹ 27.76 Crores and not the entire undertaking valued at ₹ 303.00 Crores as claimed by the State. Consequently, the Hon'ble High Court of Madhya Pradesh quashed the order and demands issued by the Collector of Stamps, Bhind (Madhya Pradesh) and allowed the writ petition by an order dated 29th November 2004. Against the said order, the State of Madhya Pradesh preferred a Special Leave Petition before the

Notes to the Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

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. Since then, the Department has filed appeal which has been admitted. Matter will be listed in due course.

@ As per Business Transfer Agreement with KAMA Holdings Limited, the liabilities of ₹ 20.64 Crores (2017 : ₹ 20.64 Crores) and ₹ 0.38 Crore (2017 : ₹ 0.38 Crore) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.

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

b. The Company had received demand for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to ₹ 123.11 Crores including interest and penalty of ₹ 34.38 Crores for the period 2004 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to Domestic Tariff Area (DTA). The Company had already paid on the same products ₹ 51.37 Crores as Additional Countervailing Duty (ACVD) to the Central Government. The Company had filed writ petitions against all such demands, on which the Hon'ble High Court of Madhya Pradesh ("Court") has granted stay.

In respect of such demands, the Company made representation to Government of Madhya Pradesh and its regulatory authorities, based on such representation the Company is allowed certain benefits and concessions in respect of such demand.

The Management is of view that the overall matter has been resolved and no material liability is likely to fructify on the Company.

c. The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 23.51 Crores (2017 : ₹ 23.95 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

d. Liability on account of bank guarantees of ₹ 123.79 Crores (2017 : ₹ 120.13 Crores)

e. The Company has issued a Counter Indemnity to HSBC Ltd., India for an amount of US$ 40.50 Million (Previous Year US$ 40.50 Million) to secure the Standby Documentary Credit (SBDC) Facility of the same amount issued by the said bank in favour of HSBC Bank (Mauritius) Limited. This SBDC is further secured by a charge by way of an equitable mortgage on the immoveable properties of the Company at Manali, Tamil Nadu. Basis of this SBDC, HSBC Bank (Mauritius) Limited has entered into a loan agreement for a term loan of US$ 40 Million (Previous year US$ 40 Million) with SRF Global BV, the wholly owned subsidiary of the Company. Outstanding loan amounts to US$ 40 Million (2017 : US$ 40 Million)

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

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

Name of the Subsidiary	Currency	Guarantee amount as at		Loan/payable outstanding against the guarantee as at	
		March 31, 2018 In Millions	March 31, 2017 In Millions	March 31, 2018 In Millions	March 31, 2017 In Millions
SRF Flexipak South Africa (Pty) Limited	EUR	**-**	0.60	**-**	0.56
	USD	**46.00**	46.00	**18.00**	23.00
	USD	**19.49**	19.49	**5.49**	2.81
	USD	**14.95**	14.95	**3.15**	2.40
	ZAR	**80.00**	80.00	**51.89**	-
SRF Global BV	USD	**22.00**	22.00	**23.70***	21.70
	USD	**40.50**	23.00	**40.00**	-
SRF Industries (Thailand) Limited	USD	**52.00**	52.00	**15.00**	21.00
	USD	**6.00**	-	**-**	-
SRF Industex Belting (Pty) Limited	USD	**-**	1.44	**-**	1.44

* However liability of SRF Limited is restricted up to Guarantee amount wchich is USD 22 Million.

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

h. **Capital and other commitments**

		As at March 31, 2018	As at March 31, 2017
(i)	Estimated Amount of contracts remaining to be executed on capital account & not provided for	**140.82**	397.87
(ii)	Commitment for investment in SRF Holiday Home Limited	**0.05**	0.05

(iii) The Company has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

(iv) The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2018 is ₹ 145.68 Crores (Previous Year - ₹ 104.93 Crores).

Notes to the Financial Statements

for the year ended March 31, 2018
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32 The details of dues of Income-tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Crores)
Central Excise Laws	Excise Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1994-2015	16.23
		Upto Commissioner (Appeals)	1993-2016	8.11
Service Tax Laws	Service Tax	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2008	0.13
		Upto Commissioner (Appeals)	2006-2015	1.15
Customs Laws	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2005-2013	1.31
		Upto Commissioner (Appeals)	2002	0.17
Sales Tax Laws	Sales Tax	High Court	2004-2013	29.37
		Sales Tax Appellate Tribunal	1987-2008	1.02
		Upto Commissioner (Appeals)	1988-2015	1.02
Income Tax Laws	Income Tax	Supreme Court	1988-1990	1.13
		Income Tax Appellate Tribunal (ITAT)	2010-2013	2.75
		Upto Commissioner (Appeals)	2015-2016	2.31
Others	Electricity Cess	High Court	2007-2014	0.06

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

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

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

Notes to the Financial Statements
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33 Related Party Transactions

33.1Description of related parties

Holding Company	Key management personnel
KAMA Holdings Limited	Arun Bharat Ram
	Ashish Bharat Ram
Subsidiaries	Kartik Bharat Ram
SRF Overseas Limited#	K. Ravichandra*
SRF Holiday Home Limited	Vinayak Chatterjee
SRF Global BV	Tejpreet S Chopra
SRF Industries (Thailand) Limited	L. Laxshman
SRF Industex Belting (Pty) Limited	Vellayan Subbiah
SRF Flexipak (South Africa) (Pty) Limited	Pramod Bhasin
	Dr. Meenakshi Gopinath
	Pramod Gopaldas Gujarathi**
Fellow subsidiaries	
KAMA Realty (Delhi) Limited	
Shri Educare Limited	**Enterprises over which KMP have significant influence^**
Shri Educare Maldives Private Limited	SRF Foundation
SRF Transnational Holdings Limited	Karm Farms LLP
	Srishti Westend Greens Farms LLP
Post Employment Benefit Plans Trust	SRF Welfare Trust
SRF Limited Officers Provident Fund Trust	Statkraft BLP Solar Solutions Private Limited
SRF Employees Gratuity Trust	
SRF Officers Gratuity Trust	

Liquidated during FY 2016-17

* upto March 31, 2017

** from April 1, 2017

^ Only with whom the Company had transactions during the year

33.2 Transactions with related parties

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of goods to:		
Subsidiaries	**18.12**	25.80
	18.12	**25.80**
Purchase of goods from:		
Subsidiaries	**6.08**	4.15
	6.08	**4.15**
Purchase of property, plant & equipment and intangible assets from:		
Subsidiaries	**11.64**	-
Enterprises over which KMP have significant influence	**23.40**	-
	35.04	**-**
Services rendered to:		
Subsidiaries	**7.72**	8.59
	7.72	**8.59**

Notes to the Financial Statements

for the year ended March 31, 2018

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	Year ended March 31, 2018	Year ended March 31, 2017
Rent paid		
Fellow Subsidiaries	**6.72**	6.62
Key management personnel	**0.29**	0.29
Enterprises over which KMP have significant influence	**1.56**	1.47
	8.57	**8.38**
Reimbursement of expenses from		
Holding Company	**0.0051**	0.0045
Subsidiaries	**1.14**	2.64
Fellow Subsidiaries	**0.04**	0.04
	1.19	**2.68**
Reimbursement of expenses paid		
Subsidiaries	**-**	0.0049
	-	**0.0049**
Loans / deposits given to (including exchange fluctuation)		
Fellow Subsidiaries	**0.05**	-
Enterprises over which KMP have significant influence	**0.05**	-
	0.10	**-**
Donations to		
Enterprises over which KMP have significant influence	**5.00**	7.60
	5.00	**7.60**
Contribution to post employment benefit plans		
Post Employment Benefit Plans Trust	**21.69**	16.94
	21.69	**16.94**
Guarantees issued / renewed		
Subsidiaries		
USD (In Million)	**50.00**	19.49
EURO (In Million)	**-**	0.60
ZAR (In Million)	**-**	80.00

33.3 Outstanding Balances:

	As at March 31, 2018	As at March 31, 2017
Receivables		
Subsidiaries	**11.77**	8.50
	11.77	**8.50**
Payables		
Subsidiaries	**0.44**	1.17
Post Employment Benefit Plans Trust	**7.83**	5.76
	8.27	**6.93**
Commission Payable		
Key management personnel	**5.85**	5.85
	5.85	**5.85**

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	As at March 31, 2018	As at March 31, 2017
Security Deposits outstanding		
Fellow Subsidiaries	**3.39**	3.34
Key management personnel	**0.13**	0.13
Enterprises over which KMP have significant influence	**1.38**	1.34
	4.90	**4.81**
Equity Investment outstanding		
Subsidiaries	**83.60**	83.60
	83.60	**83.60**
Guarantees outstanding		
Subsidiaries		
USD (In Million)	**200.94**	178.88
EURO (In Million)	**-**	0.60
ZAR (In Million)	**80.00**	80.00

33.4 Key management personnel compensation

	Year ended March 31, 2018	Year ended March 31, 2017
Short-term benefits*	**14.84**	14.14
Post-employment benefits	**1.23**	1.09
Other long-term benefits	**0.30**	0.47
	16.37	**15.70**

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

34 Employee Benefits

34.1 Defined contribution plans:

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

	Year ended March 31, 2018	Year ended March 31, 2017
Superannuation fund (Refer to note (i) below)	**0.91**	0.72
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	**9.46**	8.54
Employees' State Insurance Corporation	**1.58**	0.80
	11.95	**10.06**

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

(i) Superannuation fund

The Company makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited.

Apart from being covered under the Gratuity Plan described below, the employees of the Company also participate in a defined contribution superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage

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of each covered employee's salary. From November 1, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

(ii) Provident fund administered through Regional Provident Fund Commissioner

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

34.2 Defined benefit plans

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

(a) Gratuity

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

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

Investment Risk

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

Salary Risk

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

Interest Risk

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

Longevity Risk

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

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

	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	**7.74%**	**7.74%**	7.35%	7.35%
Salary increase	**7.50%**	**7.50%**	7.50%	7.50%
Retirement Age (years)	**58**	**58**	58	58
Mortality Rates	**IALM (2006-08)**	**IALM (2006-08)**	IALM (2006-08)	IALM (2006-08)
Withdrawal rate				
Upto 30 years	**10.00%**	**10.00%**	10.00%	10.00%
31 to 44 years	**5.00%**	**5.00%**	5.00%	5.00%
Above 44 years	**2.00%**	**2.00%**	2.00%	2.00%

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

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	**5.44**	**5.37**	5.09	4.68
Past service cost and (gain) / loss from settlements	**-**	**-**	-	-
Net interest expenses	**0.46**	**-**	0.61	-
	5.90	**5.37**	**5.70**	**4.68**

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

(iv) Amounts recognised in Other Comprehensive Income:

	Year ended March 31, 2018		Year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Return on plan assets (excluding amounts included in net internet expenses)	**(1.02)**	**-**	(5.87)	-
Actuarial (gain)/losses arising from changes in financial assumptions	**(2.03)**	**-**	2.85	-
Actuarial (gain)/losses arising from changes in experience adjustments	**3.90**	**-**	3.56	-
	0.85	**-**	**0.54**	**-**

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

	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	**62.22**	**105.25**	57.53	93.31
Fair Value of Plan Assets	**55.47**	**106.83**	51.29	93.48
Surplus / (Deficit)	**(6.75)**	**1.58**	**(6.24)**	**0.17**
Effect of asset ceiling, if any	**-**	**(1.58)**	-	(0.17)
Net assets / (liability)	**(6.75)**	**-**	**(6.24)**	**-**

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	**57.53**	**93.31**	**48.53**	**79.38**
Current Service Cost	**5.44**	**5.37**	5.09	4.68
Interest Cost	**4.23**	**6.82**	3.89	6.29
Actuarial (gain)/losses arising from changes in financial assumptions	**(2.03)**	**-**	2.85	-
Actuarial (gain)/losses arising from changes in experience adjustments	**3.90**	**-**	3.56	-
Benefits paid	**(6.85)**	**(11.82)**	(6.39)	(5.13)
Contribution by plan participants / employees	**-**	**8.11**	-	6.52
Settlement / transfer in	**-**	**3.46**	-	1.57
Closing defined benefit obligation	**62.22**	**105.25**	**57.53**	**93.31**

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	**51.29**	**93.48**	**40.92**	**79.55**
Return on plan assets (excluding amounts included in net interest expenses)	**4.79**	**8.23**	9.15	6.29
Contributions from employer	**6.24**	**5.37**	7.61	4.68
Contributions from plan participants	**-**	**8.11**	-	6.52
Benefits paid	**(6.85)**	**(11.82)**	(6.39)	(5.13)
Settlement / transfer in	**-**	**3.46**	-	1.57
Closing fair value of plan assets	**55.47**	**106.83**	**51.29**	**93.48**

Plan assets comprises of HDFC Group Unit Linked Plan fund, Government of India securities and bank balances. The average duration of the defined benefit obligation is 23 years (2017 : 23 years). The Company expects to make a contribution of ₹ 6.54 Crores (2017 : ₹ 5.95 Crores) to the defined benefit plans during the next financial year.

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(viii)Sensitivity Analysis

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

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 2.45 Crores (Increase by ₹ 2.64 Crores) (as at March 31, 2017: decrease by ₹ 2.23 Crores (increase by ₹ 2.41 Crores))

If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by ₹ 2.63 Crores (decrease by ₹ 2.46 Crores) (as at March 31, 2017 : increase by ₹ 2.39 Crores (decrease by ₹ 2.24 Crores))

34.3 Other long-term employee benefit

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

	Year ended March 31, 2018	Year ended March 31, 2017
Long term retention pay (Refer to note (i) below)	**1.60**	0.15
Compensated absences	**5.62**	6.81
	7.22	**6.96**

(i) Long Term Retention Pay

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

35 Segment Reporting

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

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, coated fabric, laminated fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals and Polymers business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products, engineering plastics business and its research and development
- Packaging Film Business includes polyester films.

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

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

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

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities

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

	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue		
a) Technical Textiles Business (TTB)		
- External sales	**1,771.90**	1,714.72
- Inter-segment sales	**2.83**	2.55
Total	**1,774.73**	**1,717.27**
b) Chemicals and Polymers (CPB)		
- External sales	**1,826.70**	1,722.15
- Inter-segment sales	**-**	-
Total	**1,826.70**	**1,722.15**
c) Packaging Films Business (PFB)		
- External sales	**1,079.33**	760.95
- Inter-segment sales	**2.06**	1.71
Total	**1,081.39**	**762.66**
Total Segment revenue	**4,682.82**	**4,202.08**
Less: Inter Segment revenue	**4.89**	**4.26**
Revenue from Operations	**4,677.93**	**4,197.82**
Add: Unallocable Income	**103.80**	46.11
Total Revenue	**4,781.73**	**4,243.93**
Segment Profits		
(Profit / (Loss) before interest and tax from each segment)		
a) Technical Textiles Business (TTB)	**265.67**	242.02
b) Chemicals and Polymers (CPB)	**295.42**	327.85
c) Packaging Films Business (PFB)	**135.70**	101.97
Total Segment results	**696.79**	**671.84**
Less: i) Interest & Finance Charges	**97.97**	77.53
Less: ii) Other Unallocable expenses net of income	**86.18**	46.24
Profit before tax	**512.64**	**548.07**
Less: Provision for taxation	**106.98**	129.25
Profit after tax	**405.66**	**418.82**

Notes to the Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

Segment assets and liabilities

	As at March 31, 2018	As at March 31, 2017
Segment Assets		
a) Technical Textiles Business (TTB)	**1,405.38**	1,445.27
b) Chemicals and Polymers (CPB)	**4,024.99**	3,057.02
c) Packaging Films Business (PFB)	**1,471.30**	1,025.67
Total	**6,901.67**	**5,527.96**
Unallocable Assets	**372.34**	439.85
Total Assets	**7,274.01**	**5,967.81**
Segment Liabilities		
a) Technical Textiles Business (TTB)	**376.73**	323.89
b) Chemicals and Polymers (CPB)	**384.87**	331.27
c) Packaging Films Business (PFB)	**251.77**	203.96
Total	**1,013.37**	**859.12**
Unallocable Liabilities	**2,810.97**	1,963.84
Total Liabilities	**3,824.34**	**2,822.96**

	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure		
a) Technical Textiles Business (TTB)	**55.06**	13.78
b) Chemicals and Polymers (CPB)	**936.28**	341.82
c) Packaging Films Business (PFB)	**303.49**	329.50
d) Unallocated	**10.92**	15.71
Total	**1,305.75**	**700.81**
Depreciation		
a) Technical Textiles Business (TTB)	**42.32**	42.77
b) Chemicals and Polymers (CPB)	**188.03**	167.69
c) Packaging Films Business (PFB)	**36.94**	20.59
d) Unallocated	**10.82**	10.93
Total	**278.11**	**241.98**
Geographical Information		
Revenue from operations		
- India	**3,058.31**	2,739.80
- Singapore	**1.86**	207.32
- Germany	**174.55**	236.84
- USA	**267.86**	171.44
- Belgium	**152.49**	0.86
- Others	**1,022.86**	841.56
	4,677.93	**4,197.82**

Notes to the Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Non current segment assets		
- Within India	**5,097.04**	4,041.72
- Outside India	**-**	-
	5,097.04	**4,041.72**

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

No single customer contributed 10% or more to the company's revenue for both 2017-18 and 2016-17

Revenue from major products	Year ended March 31, 2018	Year ended March 31, 2017
Manufactured		
Synthetic Filament Yarn including Industrial Yarn/Tyre Cord/Twine	**164.56**	158.86
Nylon Tyre Cord Fabric/ Polyester tyre cord fabric / Industrial Yarn Fabric	**1,333.36**	1,369.34
Laminated Fabric	**254.42**	170.25
Nylon / PBT / PC Compounding Chips	**215.04**	221.51
Fluorochemicals, Refrigerant Gases & Allied Products	**764.95**	592.70
Fluorospecialities Chemicals	**571.73**	606.14
Chlorinated Solvents	**132.30**	164.72
Packaging Films	**1,057.45**	716.80
Waste/Others	**40.65**	44.42
	4,534.46	**4,044.75**
Traded goods	**69.41**	73.96
	4,603.87	**4,118.71**

36 Earnings Per Share

	Year ended March 31, 2018	Year ended March 31, 2017
Basic Earnings per share (₹)	**70.65**	72.94
Diluted Earnings per share (₹)	**70.65**	72.94
Profit attributable to the equity holders of the Company used in calculating basic earning per share and diluted earning per share	**405.66**	418.82
Weighted average number of equity shares for the purpose of calculating basic earnings per shares and diluted earnings per share (nos.)	**5,74,20,500**	5,74,20,500

Notes to the Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

37 Operating Lease

The Company has entered into operating lease agreements for various premises taken for accommodation of Company's officers / directors, various offices of the Company, lands & certain equipments. These arrangements are both cancellable and non-cancellable in nature and range between two to ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under:-

	As at March 31, 2018	As at March 31, 2017
Non-cancellable operating lease commitments		
- Within one year	**6.89**	8.15
- Later than one year & not later than five years	**10.19**	12.08
- Later than five years	**60.91**	62.86
	77.99	**83.09**

	Year ended March 31, 2018	Year ended March 31, 2017
Lease Rent Recognised in the Statement of profit & loss as per Note 28	**20.45**	18.40

38 Financial Instruments and Risk Management

38.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders through maintaining reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on a periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio, Debt to EBIDTA Ratio to arrive at an appropriate level of debt and accordingly evolve its capital structure.

The following table provides detail of the debt and equity at the end of the reporting period:

	As at March 31, 2018	As at March 31, 2017
Debt	**2,483.46**	1,658.19
Cash & cash equivalents	**67.66**	47.89
Net Debt	**2,415.80**	**1,610.30**
Total Equity	**3,449.67**	**3,144.85**
Net debt to equity ratio	**0.70**	**0.51**

Notes to the Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

38.2 Financial instruments by category

	As at March 31, 2018				As at March 31, 2017			
	FVTPL^	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#^	FVTOCI
Financial Assets								
Investments*	121.70	-	-	0.12	146.36	-	49.40	0.12
Trade Receivables	-	-	491.41	-	-	-	514.59	-
Cash and cash equivalents	-	-	67.66	-	-	-	47.89	-
Bank balances other than above	-	-	9.73	-	-	-	8.49	-
Loans	-	-	43.18	-	-	-	54.08	-
Other financial assets	-	13.04	37.74	-	-	21.17	41.48	-
	121.70	**13.04**	**649.72**	**0.12**	**146.36**	**21.17**	**715.93**	**0.12**

	As at March 31, 2018				As at March 31, 2017			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	Financial Guarantee Contracts	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	Financial Guarantee Contracts
Financial Liabilities								
Borrowings	-	-	2,170.94	-	-	-	1,309.28	-
Trade Payables	-	-	804.87	-	-	-	645.31	-
Other financial liabilities	-	-	448.51	5.73	-	-	449.92	6.68
	-	**-**	**3,424.32**	**5.73**	**-**	**-**	**2,404.51**	**6.68**

^ Non convertible debentures reclassified from amortised cost to FVTPL during the year.

Carrying value of the financial assets and liabilities designated at amortised cost approximates its fair value.

* Investment value excludes investment in subsidiaries of ₹ 83.60 Crores (2017 : ₹ 83.60 Crores) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

Notes to the Financial Statements

for the year ended March 31, 2018
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Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments*	121.70	-	0.12	**121.82**
Other financial assets**	-	13.04	-	**13.04**
	121.70	**13.04**	**0.12**	**134.86**
Financial Liabilities				
Other financial liabilities***	-	-	5.73	**5.73**
	-	**-**	**5.73**	**5.73**

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments*	146.36	-	0.12	**146.48**
Other financial assets**	-	21.17	-	**21.17**
	146.36	**21.17**	**0.12**	**167.65**
Financial Liabilities				
Other financial liabilities***	-	-	6.68	**6.68**
	-	**-**	**6.68**	**6.68**

* Investments (Level 1 - Mutual Funds and Non Convertible Debentures, Level 3 - Unquoted equity instruments)

** Other financial assets (Level 2 - Hedging Instruments)

*** Other Financial Liabilities (Level 2 - Hedging Instruments, Level 3 - Financial Guarantee contracts)

Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of open ended mutual funds.

Level 2:

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

Level 3:

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

Notes to the Financial Statements

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Sensitivity of Level 3 financial instruments are insignificant.

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

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

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

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurements

	Unlisted equity instruments
As at March 31, 2016	**4.33**
Purchases	0.01
Gain / (loss) recognised in OCI	(4.22)
As at March 31, 2017	**0.12**
Purchases	-
Gain / (loss) recognised in OCI	-
As at March 31, 2018	**0.12**
	Financial Guarantee Contracts
As at March 31, 2016	**9.00**
Additional Guarantees given	-
Income recognised in profit & loss	(2.32)
As at March 31, 2017	**6.68**
Additional Guarantees given	-
Income recognised in profit & loss	(0.95)
As at March 31, 2018	**5.73**

38.3Financial Risk Management

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

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for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

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

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

38.3.1 Market Risk

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

A. Foreign Currency Risk Management

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

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

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

	Assets		Liabilities	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
USD	**253.85**	273.30	**1,483.45**	1,571.06
EUR	**92.53**	36.11	**464.38**	2.73
JPY	**-**	-	**5.76**	-

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Foreign currency sensitivity analysis

The Company is mainly exposed to USD, EUR and (JPY)

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	₹ strengthens by 1%	₹ weakens by 1%	₹ strengthens by 1%	₹ weakens by 1%
Impact on profit /(loss) for the year				
USD	**12.36**	**(12.36)**	2.84	(2.84)
EUR	**3.67**	**(3.67)**	(0.44)	0.44
JPY	**0.06**	**(0.06)**		

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 12 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

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

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Millions)		Nominal Amount (₹ Crores)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD / INR Buy forward	**-**	9	**-**	15.48	**-**	100.28
USD / INR Sell forward	**34**	33	**60.50**	50.00	**394.19**	323.95
EUR / USD Sell forward	**8**	12	**3.90**	6.30	**31.48**	43.62
EUR / INR Buy forward	**3**	3	**7.30**	4.80	**59.05**	33.24
EUR / USD Buy forward	**-**	10	**-**	14.95	**-**	103.51
GBP / USD Buy forward	**-**	2	**-**	1.88	**-**	15.23
Fair value assets /(liabilities)					**5.99**	16.37

* Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant

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B. Interest Rate Risk Management

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

The Company manages its interest rate risk by having a agreed portfolio of fixed and variable rate loans and borrowings. The company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total borrowings, the amount of fixed interest loan is ₹ 939 Crores and floating interest loan is ₹ 873 Crores (March 31, 2017 : Fixed interest loan ₹ 481 Crores and Floating interest loan ₹ 808 Crores)

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %
Increase in profit before tax by	**1.00**	**1.04**	0.61	0.81

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

Interest Rate Swap Contracts

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

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

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Millions)		Nominal Amount (₹ Crores)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
IRS Contracts	**7**	5	**40.20**	51.33	**262.00**	280.74
Fair value assets /(liabilities)					**7.05**	4.80

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

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

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38.3.2 Credit Risk Management

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

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables

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

Financial assets for which loss allowance is measured:

	Note No.	As at March 31, 2018	As at March 31, 2017
Loans - Non-current	6	**0.15**	0.15
Loans - Current	6	**2.74**	2.74
Other financial assets	7	**-**	-
Other assets	8	**-**	-
Trade receivables	10	**1.11**	1.50
		4.00	**4.39**

As at March 31, 2016	**5.02**
Provided during the year	0.53
Reversed during the year	(1.16)
As at March 31, 2017	**4.39**
Provided during the year	2.80
Reversed during the year	(3.19)
As at March 31, 2018	**4.00**

Other than financial assets mentioned above, none of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.

38.3.3 Liquidity Risk Management

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

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

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2018				
Borrowings*	978.89	1,247.14	257.43	**2,483.46**
Trade payables	804.87	-	-	**804.87**
Other financial liabilities**	141.72	-	-	**141.72**
	1,925.48	**1,247.14**	**257.43**	**3,430.05**

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2017				
Borrowings*	698.19	806.52	153.48	**1,658.19**
Trade payables	645.31	-	-	**645.31**
Other financial liabilities**	107.69	-	-	**107.69**
	1,451.19	**806.52**	**153.48**	**2,411.19**

* including Current Maturity of non-current borrowings

** includes financial guarantee contracts

39 Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 106.86 Crores (Previous Year - ₹ 137.19 Crores) included in notes 2 to 28 above are as under:

	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure	**16.03**	65.27
Revenue Expenditure	**90.83**	71.92
	106.86	**137.19**

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for the year ended March 31, 2018
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	Year ended March 31, 2018	Year ended March 31, 2017
The details of revenue expenditure incurred on research and development is as below:		
Cost of material consumed	**1.50**	2.15
Salaries and wages, including bonus	**33.29**	26.18
Contribution to provident and other funds	**2.01**	1.55
Workmen and staff welfare expenses	**1.93**	2.16
Stores and spares consumed	**8.07**	4.30
Power and fuel	**5.13**	3.25
Rent	**0.35**	0.98
Repairs and maintenance		
- Buildings	**0.10**	0.02
- Plant and machinery	**10.41**	9.13
- Others	**0.55**	1.58
Insurance	**0.50**	0.31
Rates and taxes	**0.05**	0.05
Travel	**1.42**	2.82
Professional and legal charges	**2.81**	3.64
Depreciation and amortisation expense	**17.53**	11.10
Miscellaneous expenses	**5.18**	2.70
	90.83	**71.92**

(b) Managerial Remuneration

			Year ended March 31, 2018	Year ended March 31, 2017
(i)	**(a)**	**Chairman / Managing Director / Deputy Managing Director/ Whole time Director**		
		Salary and contribution to provident and other funds	**6.74**	6.04
		Value of Perquisites	**3.16**	3.02
		Commission (Provided)	**5.45**	5.45
		Sub-Total	**15.35**	**14.51**
	(b)	**Non Executive Directors**		
		Commission (Provided)	**0.40**	0.40
		Directors' Sitting Fees	**0.19**	0.19
		Other Fees	**0.13**	0.13
		Sub-Total	**0.72**	**0.72**
		Total	**16.07**	**15.23**

Notes to the Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

		Year ended March 31, 2018	Year ended March 31, 2017
(ii)	**Computation of managerial remuneration in accordance with section 197 of the Companies Act, 2013**		
	Profit before taxation	**512.64**	**548.07**
	Add:		
	Managerial Remuneration including commission	**16.07**	15.23
	Loss / write off of fixed assets as per accounts	**4.97**	2.29
	Provision for Doubtful Debts / Advances / investments	**0.16**	(0.37)
	Sub Total	**21.20**	**17.15**
	Less:		
	Profit on sale of fixed assets as per accounts	**0.15**	0.40
	Dividend on current investments	**-**	-
	Net Gain on financial assets measured at FVTPL	**9.95**	13.32
	Excess Provision written back	**26.98**	0.31
	Sub Total	**37.08**	**14.03**
	Profit as per section 197 of the Companies Act, 2013	**496.76**	**551.19**
	Maximum remuneration as commission and/or salary including perquisites @ 10% of net profit of ₹ 496.76 Crores (Previous Year - ₹ 551.19 Crores) which can be paid to Managing Directors / Whole time Directors under section 197 of the 2013 Act	**49.68**	55.12
	Remuneration paid / payable to Managing Directors / Whole Time Directors	**15.35**	14.51
	Maximum remuneration payable to Non-Executive Directors @ 1% of net profit of ₹ 496.76 Crores (Previous Year - ₹ 551.19 Crores) under section 197 of the 2013 Act	**4.97**	5.51
	Remuneration paid / payable to Non-Executive Directors	**0.72**	0.72

c) The Company has elected to continue policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange difference loss / (gain) of ₹ 4.62 Crores arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are added to / deleted from the cost of such assets/capital work in progress and will be depreciated over the balance useful life of assets. The unamortised portion carried forward as at March 31, 2018 is ₹ 79.51 Crores.

d) Details of loans and investments given on behalf of other companies are as under: -

Entity	Nature of Investment / Guarantee	Purpose
Investment	Refer note 5 above	Trade investments
Guarantee details	Refer note 31 (f) above	Financial facilities sanctioned to subsidiaries by banks and other companies.

Notes to the Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

e) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/policy, the transfer pricing study for the year ended March 31, 2018 is to be conducted on or before due date of the filing of return and the company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

f) During the financial year 2017-18, the Company has incurred ₹ 5.00 Crores (previous year – ₹ 7.60 Crores), on corporate social responsibility activities under section 135 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN - 00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company Secretary

Place : Gurugram
Date : May 17, 2018

Independent Auditor's Report

To the Members of SRF Limited
Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of SRF Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/ financial information of 5 subsidiaries viz., SRF Global B.V., SRF Industries (Thailand) Limited, SRF Industex Belting (Pty) Limited, SRF Flexipak (South Africa) (Pty) Limited, and SRF Holiday Home Limited, whose financial statements reflect total assets of Rs. 1185.80 Crores as at March 31, 2018, total revenues of Rs. 1048.66 Crores and net cash outflows amounting to Rs. 20.40 Crores for the year ended on that date, as considered in the consolidated Ind AS 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 on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements referred in the Other Matters paragraph above we report, to the extent applicable, that:

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

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33(a) to the consolidated financial statements.

   ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 34(ii) to the consolidated financial statements.

   iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

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

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 17, 2018

Annexure "A" to The Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of SRF Limited (hereinafter referred to as "Parent") and its subsidiary company, which are company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary company which are company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary company, incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary company, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary company, incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary company, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 17, 2018

Consolidated Balance Sheet

As at March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2018	As at March 31 , 2017
Assets			
Non-current assets			
Property, Plant and Equipment	4	**5,004.78**	4,319.25
Capital work-in-progress		**558.81**	258.58
Goodwill	5	**4.08**	4.91
Other Intangible assets	6	**112.73**	80.75
Financial Assets			
Investments	7	**0.12**	25.12
Loans	8	**30.83**	42.34
Deferred tax assets	9	**-**	2.60
Other non-current assets	11	**201.52**	157.94
Total Non - Current Assets		**5,912.87**	**4,891.49**
Current assets			
Inventories	12	**958.18**	838.14
Financial Assets			
Investments	7	**121.70**	170.76
Trade receivables	13	**680.65**	656.89
Cash and cash equivalents	14	**87.01**	87.63
Bank balances other than above	15	**9.73**	8.49
Loans	8	**15.13**	14.26
Other financial assets	10	**47.63**	57.07
Current Tax Assets (Net)	22	**17.71**	9.92
Other current assets	11	**512.40**	236.28
Total Current Assets		**2,450.14**	**2,079.44**
Total Assets		**8,363.01**	**6,970.93**
Equity and Liabilities			
Equity			
Equity Share capital	16	**58.44**	58.44
Other Equity	17	**3,506.09**	3,124.22
Total equity		**3,564.53**	**3,182.66**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	**1,907.26**	1,431.86
Provisions	19	**33.37**	29.70
Deferred tax liabilities	9	**291.38**	286.60
Other non-current liability	23	**34.26**	29.92
Total Non - Current Liabilities		**2,266.27**	**1,778.08**

Consolidated Balance Sheet (Contd.)

As at March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	As at March 31 , 2018	As at March 31 , 2017
Current liabilities			
Financial Liabilities			
Borrowings	18	**850.78**	545.57
Trade payables	20	**1,044.24**	808.90
Other financial liabilities	21	**523.59**	524.15
Provisions	19	**4.60**	6.23
Current tax liabilities (net)	22	**10.53**	13.61
Other current liabilities	23	**98.47**	111.73
Total Current Liabilities		**2,532.21**	**2,010.19**
Total Liabilities		**4,798.48**	**3,788.27**
Total Equity and Liabilities		**8,363.01**	**6,970.93**
Accompanying notes forming part of the consolidated financial statements	1 to 43		

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

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN -00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurugram
Date : May 17, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	24	**5,684.87**	5,136.59
II	Other income	25	**115.12**	73.01
III	**Total Income (I+II)**		**5,799.99**	**5,209.60**
IV	**Expenses**			
	Cost of materials consumed	26	**3,015.70**	2,389.17
	Purchases of stock-in-trade	26	**47.40**	51.07
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	**(31.10)**	(21.43)
	Excise duty on sale of goods		**95.83**	314.79
	Employee benefits expense	27	**474.04**	433.80
	Finance costs	28	**123.89**	101.77
	Depreciation and amortisation expense	29	**315.80**	283.44
	Other expenses	30	**1,176.76**	999.80
	Total Expenses (IV)		**5,218.32**	**4,552.41**
V	**Profit before tax (III - IV)**		**581.67**	657.19
VI	**Tax Expense**	31		
	Current tax		**107.06**	116.49
	Deferred tax			
	MAT Credit		**(88.91)**	(58.89)
	Others		**101.81**	84.60
	Total tax expense		**119.96**	**142.20**
VII	**Profit for the period (V - VI)**		**461.71**	**514.99**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans	17	**(1.41)**	0.28
	- Gain / (loss) on change in fair value of equity instrument	17	**-**	(4.22)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	32	**0.29**	0.13

Consolidated Statement of Profit and Loss (Contd.)

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
B (i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations	17	**21.56**	5.07
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17	**(26.68)**	15.23
(ii) Income tax on items that will be reclassified to profit or loss	32	**9.33**	(5.27)
Total other comprehensive income (A(i+ii) + B(i+ii))		**3.09**	**11.22**
IX Total comprehensive income for the period (VII + VIII)		**464.80**	**526.21**
Earning per equity share			
Basic (in ₹)	38	**80.41**	89.69
Diluted (in ₹)	38	**80.41**	89.69

Accompanying notes forming part of the consolidated financial statements 1 to 43

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

Vijay Agarwal
Partner

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN -00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurugram
Date : May 17, 2018

Consolidated Cash Flow Statement

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**Cash Flow from Operating Activities**		
	Profit before tax	**581.67**	657.19
	Adjustments for:		
	Finance costs	**123.89**	101.77
	Interest Income	**(3.86)**	(5.01)
	Net gain on sale / discarding of property, plant and equipment	**(0.58)**	(0.40)
	Net gain on financial assets measured at FVTPL	**(9.95)**	(13.32)
	Provision for doubtful assets	**3.02**	0.16
	Amortisation of Grant income	**(6.38)**	(2.10)
	Depreciation and amortisation expense	**315.80**	283.44
	Property, plant and equipment and inventory discarded	**6.48**	2.15
	Provision / Liabilities no longer required written back	**(26.98)**	(0.31)
	Amotisation of upfront payment for Leasehold Land	**1.85**	1.61
	Net unrealised currency exchange fluctuation gains	**1.51**	(8.25)
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets :-		
	Trade receivables	**(25.67)**	(142.38)
	Inventories	**(120.73)**	(167.09)
	Loans (Current)	**(1.99)**	(2.92)
	Loans (Non-current)	**11.51**	(12.04)
	Other assets (Current)	**(264.02)**	(56.58)
	Other assets (Non-current)	**(22.39)**	(19.97)
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade payables	**235.34**	94.34
	Provisions	**2.04**	4.77
	Other liabilities (Non-current)	**10.72**	10.18
	Other liabilities (Current)	**5.90**	36.12
	Cash generated from operations	**817.18**	**761.36**
	Income taxes paid	**(117.64)**	(115.92)
	Net cash generated by operating activities	**699.54**	**645.44**
B	**Cash Flow from Investing Activities**		
	Purchase of non-current investments	**-**	(25.01)
	Payment for purchase of mutual funds	**(530.00)**	(600.00)
	Proceeds from sale of mutual funds	**614.02**	627.55
	Purchase of current investments (others)	**-**	(24.40)
	Interest received	**4.78**	5.02
	Bank balances not considered as cash and cash equivalents	**(1.24)**	40.86
	Payment for purchase of property, plant, equipment, capital work in progress and intangible assets	**(1,300.18)**	(673.99)
	Proceeds from disposal of property, plant and equipment	**17.32**	33.08
	Grant Received from Government of Republic of South Africa	**-**	3.64
	Net cash used in investing activities	**(1,195.30)**	**(613.25)**

Consolidated Cash Flow Statement (Contd.)

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

₹ in Crores

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
C Cash Flow from Financing Activities*		
Proceeds from borrowings (Non-current)	**841.21**	-
Repayment of borrowings (Non-current)	**(431.72)**	(455.20)
Net proceeds / (repayment) from borrowings (Current)	**298.45**	364.57
Dividends on equity share capital paid	**(68.90)**	(68.90)
Corporate dividend tax paid	**(14.03)**	(14.03)
Finance costs paid	**(129.87)**	(110.88)
Net cash used in financing activities	**495.14**	**(284.44)**
Net increase / (decrease) in cash and cash equivalents	**(0.62)**	**(252.25)**
Cash and cash equivalents at the beginning of the year	**87.63**	339.88
Cash and cash equivalents at the end of the year	**87.01**	**87.63**

* The following table disclose below changes in liabilities arising from historical activities including both cash and non cash changes

Particulars	As at March 31, 2017	Cash flow from financing activities	Non-cash changes				As at March 31, 2018
			Upfront fees amortised	Exchange fluctuation changes #	Finance cost #	Interim Dividend declared ^	
Borrowings (non-current)*	1,850.63	409.49	3.80	27.13	-	-	**2,291.05**
Borrowings (current)	545.57	298.45	-	6.76	-	-	**850.78**
Interest accrued	8.85	(129.87)	-	-	146.09	-	**25.08**
Dividend and taxes thereon	6.32	(82.93)	-	-		82.93	**6.32**
	2,411.38	**495.14**	**3.80**	**33.89**	**146.09**	**82.93**	**3,173.23**

* including current maturity of long term debts
^ including taxes on dividend
\# including amount capitalised

Accompanying notes forming part of the consolidated financial statements 1 to 43

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

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN -00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Place : Gurugram
Date : May 17, 2018

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

(a) Equity share capital

	Amount
Balance at March 31, 2016	58.44
Changes in equity share capital during the year	-
Balance at March 31, 2017	58.44
Changes in equity share capital during the year	-
Balance at March 31, 2018	**58.44**

(b) Other Equity

	Reserves and Surplus					Items of other comprehensive income			Total
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Foreign currency translation reserve	Equity instrument through other comprehensive income	Effective portion of cash flow hedge	
Balance at April 01, 2016	193.77	523.77	10.48	50.00	1,908.28	17.66	-	0.58	**2,704.54**
Profit for the year	-	-	-	-	514.99	-	-	-	**514.99**
Other comprehensive income for the year, net of income tax	-	-	-	-	0.41	5.07	(4.22)	9.96	**11.22**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**515.40**	**5.07**	**(4.22)**	**9.96**	**526.21**
Payment of dividend (₹ 12/- per share)	-	-	-	-	(68.90)	-	-	-	**(68.90)**
Tax on Dividend	-	-	-	-	(14.03)	-	-	-	**(14.03)**
Foreign Currency Translation Reserve on liquidation of subsidiary	-		-	-	-	(23.60)	-	-	**(23.60)**
Transfer to Debenture redemption reserve	-	-	-	-	-	-	-	-	**-**
Balance at March 31, 2017	**193.77**	**523.77**	**10.48**	**50.00**	**2,340.75**	**(0.87)**	**(4.22)**	**10.54**	**3,124.22**
Profit for the year	-	-	-	-	461.71	-	-	-	**461.71**
Other comprehensive income for the year, net of income tax	-	-	-	-	(1.12)	21.56	-	(17.35)	**3.09**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**460.59**	**21.56**	**-**	**(17.35)**	**464.80**
Payment of dividend (₹ 12/- per share)	-	-	-	-	(68.90)	-	-	-	**(68.90)**
Tax on Dividend	-	-	-	-	(14.03)	-	-	-	**(14.03)**
Transfer from Debenture redemption reserve	-	50.00	-	(50.00)	-	-	-	-	**-**
Transfer to Debenture redemption reserve	-	-	-	75.00	(75.00)	-	-	-	**-**
Balance at March 31, 2018	**193.77**	**573.77**	**10.48**	**75.00**	**2,643.41**	**20.69**	**(4.22)**	**(6.80)**	**3,506.09**

Accompanying notes forming part of the consolidated financial statements 1 to 43

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

For and on behalf of the Board of Directors

Vijay Agarwal
Partner

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN -00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Place : Gurugram
Date : May 17, 2018

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO &
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

1 Corporate Information

SRF Limited ("the Group") is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 (""the 2013 Act""). The group's equity shares are listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The registered office of the group is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The group's parent and ultimate holding Company is KAMA Holdings Limited.

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

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 17, 2018.

2 Significant Accounting Policies

2.1 Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments that are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2016, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

2.2 Basis of preparation and consolidation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

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

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

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

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

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

Name of subsidiary	Country of incorporation	Proportion of ownership as at March 31, 2018	Proportion of ownership as at March 31, 2017
Indian Subsidiaries			
SRF Holiday Home Limited	India	**100%**	100%
Foreign Subsidiaries			
SRF Global BV	Netherlands	**100%**	100%
SRF Overseas Limited (100% subsidiary of SRF Global BV)	British Virgin Islands	**@**	@
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%

@ Upto March 7, 2017

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

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

2.3 Property, plant and equipment (PPE)

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

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

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

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

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

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

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

2.4 Depreciation

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

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

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

Freehold land is not depreciated

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

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

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

2.5 Intangible Assets

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

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

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

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

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

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

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

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

2.6 Research and development expenditure

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

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

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

2.7 Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

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

2.8 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

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

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

2.9 Leasing

Group as lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

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

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

2.10 Borrowing costs

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

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

Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they occur.

2.11 Foreign Currencies

a) **Functional and presentation currency**

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

b) **Transaction and balances**

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

(i) Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit & Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items

(ii) Exchange differences pertaining to long term foreign currency loans obtained or

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

re-financed on or before March 31, 2016
Exchange differences on long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance useful life of the assets.

(iii) Exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016
The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is charged off or credited to profit & loss account.

2.12 Inventories

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

(a) Raw materials and stores & spares - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

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

2.13 Provisions and Contingent Liabilities

Provisions

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

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

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

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

Contingent liability

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

2.14 Revenue recognition

a) Sale of goods

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

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

Revenue is recognised when the significant risks and rewards of ownership have been

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

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

b) Interest and dividend income

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

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

2.15 Taxation

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

a) Current tax

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

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

b) Deferred tax

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

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

(ii) Initial recognition of assets or liabilities (other than in a business combination)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

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

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

c) Minimum Alternate Tax (MAT)

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

2.16 Government grants

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

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

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

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

2.17 Employee benefits

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

In case of the provident fund administered through Regional provident fund commissioner,the group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The group's contributions paid / payable during the year to provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are recognised in the Statement of Profit and Loss as an expense when employees have rendered services entitling them to the contributions.

Provision for gratuity, compensated absences, provident fund for certain category of employees administered through a recognised provident fund trust, legal severance and other long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. It is included in retained earnings in the statement of changes in equity and the balance sheet.

2.18 Earnings per share

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

2.19 Cash and cash equivalents

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

2.20 Financial instruments

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

A) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

a) At amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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Derecognition

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

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

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

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

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

Impairment of financial assets

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

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

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

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the group estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

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

B) Financial liabilities and Equity instruments

Initial recognition and measurement

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

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

Subsequent measurement

Borrowings

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

Trade and other payables

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

Offsetting of financial instruments

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

Derecognition

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

Equity Instruments

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

2.21 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The group uses derivative financial instruments (such as forward currency contracts, interest rate

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swaps) or non derivative financial assets/liabilities to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

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

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

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

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

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

Fair value hedges

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

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

Cash flow hedges

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

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

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

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

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

2.22 Fair value measurement

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

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

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

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

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

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

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

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

2.23 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the

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

2.24 Applicability of New and Revised Ind AS

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from April 1, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks or rewards.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The group is evaluating the requirements of Ind AS 115 and its effect of the financial statements.

Amendment to Ind AS 7: Effective April 1, 2017, the group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting of a reconciliation between the opening and closing balances in Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements, refer Cash Flow Statement.

3. Significant accounting judgements, estimates and assumptions

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Actual results may differ from the estimates.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. Significant accounting judgements

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

1. Contingent Liabilities

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

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

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

B. Significant estimates and assumptions

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

1. Defined benefit plans/ Other Long term employee benefits

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

The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 36.

2. Taxes

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

3. Useful lives of Property, plant and equipment and intangible assets

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

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4 Property, Plant and Equipment and Capital Work-in-Progress

	As at March 31, 2018	As at March 31, 2017
Carrying Amount of:		
Freehold Land	**358.64**	354.67
Roads	**56.52**	52.91
Buildings	**724.76**	668.41
Plant & Equipment	**3,798.19**	3,185.69
Furniture & Fixtures	**19.04**	18.12
Office Equipment	**25.12**	22.34
Vehicle	**22.51**	17.11
	5,004.78	**4,319.25**
Capital Work in Progress	**558.81**	258.58

	Freehold Land	Roads	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Total
Cost								
Balance at April 1,2016	353.26	52.22	636.05	3,171.53	18.51	25.10	20.86	4,277.53
Additions/Adjustments (Note v & viii)	0.39	2.92	68.88	451.94	3.49	10.41	8.96	546.99
Disposals/Adjustments	-	-	(1.79)	(10.31)	(0.02)	(0.73)	(2.36)	(15.21)
Effect of foreign currency exchange differences	1.02	0.52	6.98	22.86	0.13	0.15	0.03	31.69
Balance at March 31, 2017	**354.67**	**55.66**	**710.12**	**3,636.02**	**22.11**	**34.93**	**27.49**	**4,841.00**
Additions/Adjustments (Note v & viii)	-	4.16	63.80	835.85	3.30	10.99	13.70	931.80
Disposals/Adjustments	(0.26)	(0.22)	(1.73)	(41.27)	(0.06)	(0.60)	(5.00)	(49.14)
Effect of foreign currency exchange differences	4.23	1.22	19.30	75.33	0.40	0.57	0.05	101.10
Balance at March 31, 2018	**358.64**	**60.82**	**791.49**	**4,505.93**	**25.75**	**45.89**	**36.24**	**5,824.76**
Accumulated depreciation and impairment								
Balance at April 1,2016	-	0.69	21.01	229.07	1.83	6.15	5.53	264.28
Depreciation expenses (note v & viii)	-	2.05	21.38	227.14	2.16	6.92	5.88	265.53
Disposals/Adjustments	-	-	(0.83)	(6.54)	-	(0.55)	(1.02)	(8.94)
Effect of foreign currency exchange differences	-	0.01	0.14	0.66	0.01	0.08	-	0.90
Balance at March 31, 2017	**-**	**2.75**	**41.70**	**450.33**	**4.00**	**12.60**	**10.39**	**521.77**
Depreciation expenses (note v & viii)	-	1.46	23.34	259.91	2.61	7.94	6.52	301.78
Disposals/Adjustments	-	(0.01)	(0.03)	(12.72)	(0.02)	(0.13)	(3.19)	(16.10)
Effect of foreign currency exchange differences	-	0.10	1.71	10.22	0.13	0.37	0.02	12.55
Balance at March 31, 2018	**-**	**4.30**	**66.72**	**707.74**	**6.72**	**20.78**	**13.74**	**820.00**

	Freehold Land	Roads	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Total
Carrying Amount								
Balance at April 1, 2016	353.26	51.53	615.04	2,942.46	16.68	18.95	15.33	4,013.25
Additions/Adjustments (Note v & viii)	0.39	2.92	68.88	451.94	3.49	10.41	8.96	547.01
Disposals/Adjustments	-	-	(0.96)	(3.77)	(0.02)	(0.18)	(1.34)	(6.27)
Depreciation expenses (Note v & viii)	-	(2.05)	(21.38)	(227.14)	(2.16)	(6.92)	(5.88)	(265.53)
Effects of foreign currency exchange differences	1.02	0.51	6.84	22.20	0.12	0.07	0.03	30.79
Balance at March 31, 2017	**354.67**	**52.91**	**668.41**	**3,185.69**	**18.12**	**22.34**	**17.11**	**4,319.25**
Additions/Adjustments (Note v & viii)	-	4.16	63.80	835.85	3.30	10.99	13.70	931.80
Disposals/Adjustments	(0.26)	(0.21)	(1.70)	(28.55)	(0.04)	(0.47)	(1.81)	(33.04)
Depreciation expenses (Note v & viii)	-	(1.46)	(23.34)	(259.91)	(2.61)	(7.94)	(6.52)	(301.78)
Effects of foreign currency exchange differences	4.23	1.12	17.59	65.11	0.27	0.20	0.03	88.55
Balance at March 31, 2018	**358.64**	**56.52**	**724.76**	**3,798.19**	**19.04**	**25.12**	**22.51**	**5,004.78**

Notes:

(i) Borrowing cost capitalised to capital work in progress during the year ₹ 31.25 Crores (2017: 11.85 Crores).

(ii) The deed of assignment in respect of freehold at Manali, Chennai has been executed in respect of 135.02 acres (2017: 135.02 acres). In addition to aforesaid extent, 1.47 acres were handed over to SRF limited under a land delivery receipt. In the previous year the Company has sold 1.03 acres of land. Thus, the Company is in possession of 135.46 acres of industrial land at Manali, Chennai.

(iii) Conveyancing of buildings and other superstructures located at group's plant at Malanpur in the state of Madhya Pradesh including immovable machinery is linked to the Stamp duty matter (Refer note 33).

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

(v) Capital expenditure incurred during the year includes ₹ 16.03 Crores (2017 - ₹ 65.27 Crores) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 43(a) below.

(vi) Capital work in progress includes pre-operative expenses of ₹ 20.13 Crores (2017:₹ 6.35 Crores)

(vii) Refer to note 18.1 for information on PPE pledged as security by the group.

(viii) Refer to note 43 (c) for additions/deletions on account of exchange difference during the year.

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5 Goodwill

	As at March 31, 2018	As at March 31, 2017
Cost	**4.91**	4.91
Accumulated impairment losses	**(0.83)**	-
	4.08	4.91
Cost		
Balance at April 1, 2016	**4.91**	
Additions	**-**	
Disposals	**-**	
Balance at March 31, 2017	**4.91**	
Additions	**-**	
Disposals	**-**	
Balance at March 31, 2018	**4.91**	
Accumulated Impairment losses		
Balance at April 1, 2016	**-**	
Additions	**-**	
Disposals	**-**	
Balance at March 31, 2017	**-**	
Additions	**0.83**	
Disposals	**-**	
Balance at March 31, 2018	**0.83**	

Allocation of goodwill to cash generating units (CGU):

Goodwill has been allocated for impairment testing purposes to the following cash generating units.

- SRF Industex Belting Proprietary Limited (Technical textile unit)
- SRF Industries Thailand Limited (Technical textile unit)
- Engineering plastics units
- Industrial yarn unit

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

	As at March 31, 2018	As at March 31, 2017
SRF Industex Belting Proprietary Limited (Technical textile unit)	**-**	0.83
SRF Industries Thailand Limited (Technical textile unit)	**2.67**	2.67
Engineering plastics units	**0.79**	0.79
Industrial yarn unit	**0.62**	0.62
	4.08	**4.91**

SRF Industex Belting Proprietary Limited (Technical textile unit)

The recoverable amount of this CGU was determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the group covering a five year period and a discount rate of 10% per annum in last year.

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The Board of Directors of SRF Industex Belting Pty. Limited (SRFIB), a wholly owned step down subsidiary of the company had decided to close its operations in its Board Meeting held on October 16, 2017. Consequently, plant operations were closed on December 15, 2017 and all employee dues were settled by December 16, 2017. Due to this course of action, there are no estimated future cash flows from the relevant CGU, resulting impairment of goodwill of the CGU in the current year.

SRF Industries Thailand Limited (Technical textile unit)
The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the group covering a five year period and a discount rate of 10% per annum (2017: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. Basis on the above impairment testing, no impairment losses have been recognised.

Engineering plastics units
The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2017: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period.

Basis on the above impairment testing, no impairment losses have been recognised.

Industrial yarn unit
The recoverable amount of this CGU is determined based on a value in use calculation which use cash flow projections based on financial budget approved by the directors of the Company covering a five year period and a discount rate of 10% per annum (2017: 10%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period.Basis on the above impairment testing, no impairment losses have been recognised.

6 Other Intangible Assets

	As at March 31, 2018	As at March 31, 2017
Trade Marks/Brands	**64.22**	67.59
Technical Knowhow	**40.82**	0.84
Software	**7.35**	7.83
Others	**0.34**	4.49
	112.73	**80.75**

	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance at April 1, 2016	75.74	2.98	15.13	18.88	112.73
Additions / Adjustments*	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-

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	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
Balance at March 31, 2017	**75.21**	**2.98**	**20.20**	**18.74**	**117.13**
Additions/Adjustments*	0.04	41.55	4.42	-	46.01
Disposals	-	-	(0.08)	-	(0.08)
Balance at March 31, 2018	**75.25**	**44.53**	**24.54**	**18.74**	**163.06**
Accumulated amortisation and impairment					
Balance at April 1, 2016	4.01	1.07	6.43	6.96	18.47
Amortisation expenses	3.61	1.07	5.94	7.29	17.91
Disposals	-	-	-	-	-
Balance at March 31, 2017	**7.62**	**2.14**	**12.37**	**14.25**	**36.38**
Amortisation expenses	3.41	1.57	4.89	4.15	14.02
Disposals	-	-	(0.07)	-	(0.07)
Balance at March 31, 2018	**11.03**	**3.71**	**17.19**	**18.40**	**50.33**
Carrying Amount					
Balance at April 1, 2016	71.73	1.91	8.70	11.92	94.26
Additions/Adjustments*	(0.53)	-	5.07	(0.14)	4.40
Disposals	-	-	-	-	-
Amortisation expenses	(3.61)	(1.07)	(5.94)	(7.29)	(17.91)
Balance at March 31, 2017	**67.59**	**0.84**	**7.83**	**4.49**	**80.75**
Additions/Adjustments*	0.04	41.55	4.42	-	46.01
Disposals	-	-	(0.01)	-	(0.01)
Amortisation expenses	(3.41)	(1.57)	(4.89)	(4.15)	(14.02)
Balance at March 31, 2018	**64.22**	**40.82**	**7.35**	**0.34**	**112.73**

* Refer to note 43 (c) for additions/deletions on account of exchange difference during the year.

7 Investments

	As at March 31, 2018	As at March 31, 2017
Non-current		
Investment in equity instruments	**0.12**	0.12
Other Investments	**-**	25.00
	0.12	**25.12**
Current		
Investment in mutual funds	**94.07**	146.36
Other Investments	**27.63**	24.40
	121.70	**170.76**
Aggregate value of unquoted investments	**27.75**	49.52
Aggregate value of unquoted mutual funds	**94.07**	146.36
Aggregate value of dimunation other than temporary, in value of investments.	**4.34**	4.34

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

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

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Unquoted investments (Non-current)				
Equity shares of ₹ 10 each fully paid up of Malanpur Captive Power Limited	**42,21,535**	**4.22**	42,21,535	4.22
Less : Provision for Diminution in value		**(4.22)**		(4.22)
Equity Share of ₹ 10 Each Vaayu Renewable Energy (Tapti) Private Limited	**50,000**	**0.05**	50,000	0.05
Equity Shares of ₹ 10 Each Suryadev Alloys & Power Private Limited	**4,000**	**0.06**	4,000	0.06
Equity shares of ₹ 10 each fully paid up of Sanghi Spinners India Limited	**6,70,000**	**0.12**	6,70,000	0.12
Less :Provision for Diminution in value	**-**	**(0.12)**		(0.12)
Equity shares of ₹ 0.19 each fully paid up of OPGS Power Gujarat Private Limited	**4,75,000**	**0.01**	4,75,000	0.01
		0.12		0.12

7.2 Investment in mutual funds

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Unquoted Investments (Current)				
Investments at Fair Value Through Profit and Loss				
ICICI Prudential P1543 Saving Fund-Growth Plan	**36,12,365**	**94.07**	36,12,365	88.34
Religare Invesco Credit Opportunities Fund-Growth Plan	**-**	**-**	3,12,529	58.02
		94.07		**146.36**

7.3 Other Investments

	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Unquoted Investments (Non Current)				
Non convertible debentures of Rs.1,00,000 each of Reliance Capital Limited	**-**	**-**	2,500	25.00
		-		**25.00**
Unquoted Investments (Current)				
Commercial papers of Reliance Infrastructure Limited	**-**	**-**	-	24.40
Non convertible debentures of Rs.1,00,000 each of Reliance Capital Limited	**2,500**	**27.63**	-	-
		27.63		**24.40**

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

8 Loans

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Non-current		
Loans to Employees	**6.97**	6.70
Security Deposits	**23.86**	35.64
Others		
- Considered Good	**-**	-
- Considered Doubtful	**0.15**	0.15
Less : Provision for Doubtful Loans	**(0.15)**	(0.15)
	30.83	**42.34**
Current		
Loans to Employees	**5.81**	5.99
Security Deposits	**9.32**	8.27
Others		
- Considered Good	**-**	-
- Considered Doubtful	**2.74**	2.74
Less : Provision for Doubtful Loans	**(2.74)**	(2.74)
	15.13	**14.26**

9 Deferred Tax Balances

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

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	**296.26**	222.86
Deferred tax liabilities	**(587.64)**	(506.86)
Total	**(291.38)**	**(284.00)**
Net Deferred tax asset after set off	**-**	**2.60**
Net Deferred tax liabilities after set off	**291.38**	**286.60**

2017-18	Opening Balance	Recognised in P&L	Recognised in OCI	FCTR for the year	Closing Balance
Deferred tax assets					
Expenses deductible in future years	14.14	-	-	0.04	14.18
Provision for doubtful debts / advances	2.48	(1.82)	-	0.11	0.77
MAT Credit Entitlement	154.32	88.91	-	-	243.23
Unabsorbed carried forward losses	32.30	(16.70)	-	2.36	17.96
Others	19.62	(1.49)	-	1.99	20.12
	222.86	**68.90**	**-**	**4.50**	**296.26**
Deferred tax liabilities					
Property plant & equipment and intangible assets	(495.45)	(80.49)	-	(8.31)	(584.25)
Investment in mutual funds	(4.77)	(1.23)	-	-	(6.00)
Cash flow hedges	(5.57)	-	9.33	-	3.76
Others	(1.07)	(0.08)	-	-	(1.15)
	(506.86)	**(81.80)**	**9.33**	**(8.31)**	**(587.64)**
Total	**(284.00)**	**(12.90)**	**9.33**	**(3.81)**	**(291.38)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

2016-17	Opening Balance	Recognised in P&L	Recognised in OCI	FCTR for the year	Closing Balance
Deferred tax assets					
Expenses deductible in future years	12.38	1.64	-	0.12	14.14
Provision for doubtful debts / advances	2.55	(0.22)	-	0.15	2.48
MAT Credit Entitlement	95.43	58.89	-	-	154.32
Unabsorbed carried forward losses	1.94	27.18	-	3.18	32.30
Others	17.40	0.88	-	1.34	19.62
	129.70	**88.37**	**-**	**4.79**	**222.86**
Deferred tax liabilities					
Property plant & equipment and intangible assets	(379.56)	(110.43)	-	(5.46)	(495.45)
Investment in mutual funds	(1.05)	(3.72)	-	-	(4.77)
Cash flow hedges	(0.30)	-	(5.27)	-	(5.57)
Others	(1.12)	0.07	-	(0.02)	(1.07)
	(382.03)	**(114.08)**	**(5.27)**	**(5.48)**	**(506.86)**
Total	**(252.33)**	**(25.71)**	**(5.27)**	**(0.69)**	**(284.00)**

Notes:

(a) At March 31, 2018, there was no recognised deferred tax liability (March 31, 2017: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

(b) There are capital losses of ₹ 277.45 Crores (March 31, 2017 : ₹ 286.27 Crores) on which no deferred tax asset has been created due to lack of probability of future capital gains against which such deferred tax assets can be realised. These capital losses would expire upto financial year ending March 31, 2023.

10 Other Financial Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Current		
Derivatives designated and effective as hedging instruments carried at fair value through Profit & loss account		
- Foreign currency forward contracts designated in hedge accounting relationships	**1.44**	5.60
Derivatives designated and effective as hedging instruments carried at fair value through Other comprehensive income		
- Foreign currency forward contracts designated in hedge accounting relationships	**4.55**	11.30
- Interest rate swaps designated in hedge accounting relationships	**7.05**	4.80
Insurance Claim recoverable	**31.34**	30.12
Others	**3.25**	5.25
	47.63	**57.07**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

11 Other Assets

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Non-Current		
Capital Advances	**61.83**	38.79
Prepaid expenses	**0.04**	0.10
Cenvat/Service tax/Goods and Services Tax/sales tax recoverable	**27.63**	19.59
Prepaid lease*	**94.37**	92.83
Claims recoverable (post EPCG scheme and others)	**17.65**	6.63
Total other non-current assets	**201.52**	**157.94**
Current		
Prepaid expenses	**12.39**	8.48
Cenvat/Service tax/Goods and Services Tax/sales tax recoverable	**303.02**	116.61
Export Incentives Recoverable	**88.38**	55.52
Deposits with customs and excise authorities	**7.12**	7.64
Advance to suppliers	**82.56**	37.48
Prepaid lease*	**1.28**	1.35
Others	**17.65**	9.20
Total other current assets	**512.40**	**236.28**

* The execution of lease deed of land in respect of 919370 sq. mtrs. (2017 : 911336 sq. mtrs) of leasehold land allotted to the group by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

12 Inventories

(Lower of cost and net realisable value)

	As at March 31, 2018	As at March 31, 2017
Raw material	**481.95**	414.41
Stock in progress	**110.97**	101.45
Finished goods	**194.96**	181.82
Stores and spares	**166.29**	138.59
Traded goods	**4.01**	1.87
	958.18	**838.14**
Included above, goods-in-transit:		
Raw material	**174.61**	152.19
Stock in progress	**0.08**	1.04
Finished goods	**31.20**	13.30
Stores and spares	**0.05**	0.19
	205.94	**166.72**

Notes

(i) The cost of inventories recognised as an expense during the year is ₹ 4539.41 Crores (2017: ₹ 3806.83 Crores)

(ii) The cost of inventories recognised as an expense includes ₹ 1.87 Crores (2017: ₹ 2.64 Crores) in respect of write-downs of inventory to net relisable value.

(iii) Refer to Note 18.1 for information on inventories pledged as security by the group

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

13 Trade Receivables

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	**680.65**	656.89
Unsecured, considered doubtful	**15.83**	15.15
Less: Allowance for doubtful debts	**(15.83)**	(15.15)
	680.65	**656.89**

Notes

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

(ii) Age of receivables:

	As at March 31, 2018	As at March 31, 2017
Within the credit period	**512.80**	586.56
1 to 180 days past due	**166.47**	66.11
More than 180 days past due	**17.20**	19.37
	696.47	**672.04**

(iii) The Company has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the Company in the receivables as identified. Receivables sold as on March 31,2018 are of ₹ 437.72 Crores (March 31, 2017: ₹ 185.46 Crores). The Company have derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retain no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the Company. Under these agreements, the banks have the right to serve notice of recovery to the Company only in the case of performance disputes.The Company is of view that there is no such condition of 'performance default' and therefore there would not be any recourse on the Company, accordingly these receivables have been netted off.

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

14 Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Current accounts	**52.97**	43.63
Savings account	**9.82**	35.35
Exchange Earners Foreign Currency (EEFC) accounts	**23.68**	8.04
Cash in hand	**0.54**	0.61
	87.01	**87.63**

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15 Other Bank Balances

	As at March 31, 2018	As at March 31, 2017
Earmarked Balances		
- Margin money	**3.41**	2.17
- Unclaimed dividend accounts	**6.32**	6.32
	9.73	**8.49**

16 Share Capital

	As at March 31, 2018	As at March 31, 2017
Authorised share capital:		
12,00,00,000 (Previous Year - 12,00,00,000) Equity shares of ₹ 10 each	**120.00**	120.00
10,00,000 (Previous Year - 10,00,000) Preference shares of ₹ 100 each	**10.00**	10.00
12,00,000 (Previous Year - 12,00,000) Cumulative Preference shares of ₹ 50 each	**6.00**	6.00
2,00,00,000 (Previous Year - 2,00,00,000) Cumulative Preference shares of ₹ 100 each	**200.00**	200.00
	336.00	**336.00**
Issued share capital:		
6,14,77,255 (Previous Year - 6,14,77,255) Equity Shares of ₹ 10 each	**61.48**	**61.48**
Subscribed capital:		
5,74,20,500 (Previous Year - 5,74,20,500) Equity Shares of ₹ 10 each fully paid up	**57.42**	57.42
Add: Forfeited shares - Amount originally paid up	**1.02**	1.02
	58.44	**58.44**

16.1 Fully paid equity shares

	Number of shares	Amount
Balance at March 31, 2016	5,74,20,500	57.42
Add / Less: Movement during the year	-	-
Balance at March 31, 2017	5,74,20,500	57.42
Add / Less: Movement during the year	-	-
Balance at March 31, 2018	**5,74,20,500**	**57.42**

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

Terms/ rights attached to equity shares :

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

Notes to the Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

During the year ended March 31, 2018, the amount of interim dividend recognised as distributions to equity shareholders was ₹ 12 per share (2017 : ₹ 12 per share).

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

The company has bought back Nil Equity shares in aggregate in last five financial years.

16.2 Details of shares held by the holding company

	Number of fully paid ordinary shares
As at March 31, 2018	
KAMA Holdings Limited, the Holding group	3,00,49,000
As at March 31, 2017	
KAMA Holdings Limited, the Holding group	3,00,49,000

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

Class of shares / Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid equity shares				
Kama Holdings Limited	**3,00,49,000**	**52.33%**	3,00,49,000	52.33%
Amansa Holding Private Limited	**44,42,241**	**7.74%**	37,29,559	6.50%
DSP Blackrock Mutual fund (Throgh various schemes)	**29,51,511**	**5.14%**	22,93,789	3.99%

17 Other Equity

	As at March 31, 2018	As at March 31, 2017
General reserve	**573.77**	523.77
Retained earnings	**2,643.41**	2,340.75
Cash flow hedging reserve	**(6.81)**	10.54
Capital redemption reserve	**10.48**	10.48
Capital reserve	**193.77**	193.77
Debenture redemption reserve	**75.00**	50.00
Foreign currency translation reserve	**20.69**	(0.87)
Reserve for equity instruments through other comprehensive income	**(4.22)**	(4.22)
	3,506.09	**3,124.22**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

17.1 General reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**523.77**	523.77
Transfer from Debenture redemption reserve	**50.00**	-
Balance at end of year	**573.77**	**523.77**

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

17.2 Retained earnings

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**2,340.75**	1,908.28
Profit for the year	**461.71**	514.99
Other comprehensive income arising from measurement of defined benefit obligation*	**(1.12)**	0.41
Payment of dividend on equity shares	**(68.90)**	(68.90)
Corporate tax on dividend	**(14.03)**	(14.03)
Transfer to Debenture Redemption Reserve	**(75.00)**	-
Balance at end of year	**2,643.41**	**2,340.75**

The amount that can be distributed as dividend by the parent to its equity shareholders is determined based on the seperate financial statements of the parent and also considering the requirements of the Companies Act, 2013.The amounts reported above are not distributable in entirety.

* net of income tax of ₹ 0.29 crore (2017: ₹ 0.13 crore)

17.3 Cash flow hedging reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**10.54**	0.58
Recognized/(reclassed) during the year	**(26.68)**	15.23
Income tax related to above	**9.33**	(5.27)
Balance at end of year	**(6.81)**	**10.54**

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

17.4 Capital redemption reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**10.48**	10.48
Movement	**-**	-
Balance at end of year	**10.48**	**10.48**

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Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

17.5 Capital reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**193.77**	193.77
Movement	**-**	-
Balance at end of year	**193.77**	**193.77**

17.6 Debenture redemption reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**50.00**	50.00
Transfer to general reserve	**(50.00)**	-
Transfer from retained earnings	**75.00**	**-**
Balance at end of year	**75.00**	**50.00**

The group has issued non convertible debentures and as per the provisions of the 2013 Act ,it is required to create debenture redemption reserve out of the profits available for payment of dividend.

17.7 Reserve for equity instruments through other comprehensive income

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**(4.22)**	-
Net fair value gain on investment in equity instruments at FVTOCI	**-**	(4.22)
Balance at end of year	**(4.22)**	**(4.22)**

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

17.8 Foreign Currency Translation Reserve

	As at March 31, 2018	As at March 31, 2017
Balance at beginning of year	**(0.87)**	17.66
Exchange differences arising on translation of foreign operations	**21.56**	5.07
Foreign currency translation reserve on liquidation of subsidiary	**-**	(23.60)
Balance at end of year	**20.69**	**(0.87)**

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

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18 Borrowings

	As at March 31, 2018	As at March 31, 2017
Non-current		
Secured		
3,000 Nos., 7.33% (2017: 2,000 Nos., 9.8%), listed, secured Redeemable Non-convertible Debentures of ₹ 10 lakhs each [1]*	**299.75**	199.92
Term Loans from banks [2]*	**1,505.15**	1,084.27
Term Loans from Others [3]*	**473.42**	541.48
Less: Current maturities of non-current borrowings	**(383.80)**	(418.78)
	1,894.52	**1,406.89**
Unsecured		
Deferred payment liabilities	**12.74**	24.97
	12.74	**24.97**
	1,907.26	**1,431.86**
* Above amount of borrowings are net of upfront fees paid ₹ 9.87 Crores (March 31, 2017 - ₹ 8.48 Crores)		
Current		
Secured		
Cash credits from banks [4(i)]	**94.99**	22.14
Term loans from banks [4 (ii)]	**104.75**	227.33
	199.74	**249.47**
Unsecured		
Cash credits from banks	**29.98**	-
Term loans from banks*	**621.06**	296.10
	651.04	**296.10**
	850.78	**545.57**

* Includes ₹ 100 Crores (As on March 31, 2017 - Nil) for Commercial Paper issued by the group. The maximum amount due during the year is ₹ 300.00 Crores (2017-18 - ₹ 125.00 Crores)

There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

18.1 Details of security of the secured loans:

	Details of Loan	As at March 31, 2018	As at March 31, 2017	Security
1	Nil (Previous Year –2,000), 9.80%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each **Terms and conditions** a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment. b) Coupon is payable Semi-annually on 25th March and 25th September every year.	-	200.00	Debentures are secured by legal mortgage in English form on certain immoveable properties of the Company situated in Gujarat. In addition, these debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
	3,000 (Previous Year –Nil), 7.33%, Listed, Secured Redeemable Non-Convertible Debentures of ₹ 10 lakhs each **Terms and conditions** a) Redeemable at face value in one single installment at the end of 3rd year from the date of allotment. b) Coupon is payable annually on 30th June every year.	**300.00**	-	Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Pantnagar, Kashipur in the State of Uttarakhand and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.
2	(i) Term loan from Banks	**1192.84**	745.50	(a)(i) Out of the loans as at 2(i), loans aggregating to ₹ 1029.95 Crores (Previous Year – ₹ 518.73 Crores) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur, Pantnagar in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).

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(All amounts in ₹ Crores, unless otherwise stated)

Details of Loan	As at March 31, 2018	As at March 31, 2017	Security
			Out of the loans as at 2(i)(a)(i), loans aggregating to ₹ 162.89 Crores (Previous Year – ₹ 226.77 Crores) are to be additionally secured by hypothecation of Company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets). (a)(ii) Out of the loans as at 2(i) loans aggregating to ₹ 1192.84 Crores (Previous Year – ₹ 745.50 Crores) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand. Out of the loans as at 2(i)(a)(ii) loans aggregating to ₹ 1144.34 Crores (Previous Year – ₹ 695.50 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan. Out of the loans as at 2(i)(a)(ii) loans aggregating to ₹ 426.06 Crores (Previous Year – ₹ 546.48 Crores) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures). Out of the loans as at 2(i)(a)(ii), the term loans aggregating to: a) ₹ 36.32 Crores (Previous Year – ₹ 76.02 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu, Special Economic Zone, Indore in the State of Madhya Pradesh and at Pantnagar in the state of Uttarakhand. (b) ₹ 48.50 Crores (Previous Year – ₹ 50.00 Crores) are to be further secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.
(ii) Term loans from Banks	**260.62**	258.20	Term loan in SRF Global BV of USD 40 million (Previous Year- USD 40 million) is secured by a Standby Documentary Credit of USD 40.50 million issued by The HongKong & Shanghai Banking Corporation Limited, India which is to be secured by an equitable mortgage of the immoveable properties of SRF Limited in Manali in the State of Tamil Nadu.
(iii) Term loans from Banks	**58.63**	84.23	Term loans from banks aggregating to ₹ 58.63 Crores (Previous Year – ₹ 84.23 Crores) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.

		Details of Loan	As at March 31, 2018	As at March 31, 2017	Security
3	(i)	Term loan from others	**98.19**	136.06	Term loan in SRF Industries (Thailand) Limited of USD 45 million from International Finance Corporation, Washington is secured by pledge of that company's machineries and by mortgage on that company's land and building
	(ii)	Term loans from Others	**117.28**	149.02	Term loan in SRF Flexipak (South Africa) (Pty) Limited of USD 40 million from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land and general notarial bond over the property of that company.
	(iii)	Term loans from others	**260.62**	259.16	Loan of ₹ 260.62 Crores (Previous Year – ₹ 259.16 Crores) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
4	(i)	Cash credit/working capital demand loans	**94.99**	22.14	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	**104.75**	227.33	
			2487.92	**2081.64**	

Such hypothecation and equitable mortgage rank pari-passu between term loans from banks / other (save and except hypothecation of certain movable assets at Dahej in the State of Gujarat in favour of a bank as at 2(iii) above and hypothecation and equitable mortgage of certain moveable and immovable assets at Dhar in the State of Madhya Pradesh in favour of others as at 3 above)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

18.2 Terms of repayment of loan

Non Current Borrowings

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2019	Up to March 31, 2020	Up to March 31, 2021	From 2022 to 2027
Redeemable Non-Convertible Debentures	Redeemable at face value in one instalment at the end of third year	7.33%	-	-	300.00	-
Rupee term loans	Half yearly instalment	8.60% to 11.00%	9.81	4.97	5.00	38.50
	Quarterly Instalment	7.05%	0.30	25.05	49.80	74.70
Foreign currency term loans	Quarterly	0.94%	-	-	63.56	340.01
	Half yearly instalments	Libor plus interest rate spread ranging from 1.30% to 1.85%	194.01	233.11	152.02	175.94
	One instalment a year	Libor plus interest rate 1.60%	32.58	-	-	-
	Bullet	Fixed 0.05% to Libor plus interest rate spread of 2.25%	149.86	162.89	260.62	15.00
			386.56	**426.02**	**831.00**	**644.15**

Current Borrowings

Short term borrowings are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from Euribor +15 bps to Euribor +18 bps & from LIBOR to LIBOR +50 bps. For rupee denominated short term loans taken during the year interest rate is at 6.28% to 8.25%.

19 Provisions

	As at March 31, 2018	As at March 31, 2017
Non-Current		
Provision for employee benefits		
Provision For Leave encashment	**23.52**	21.19
Provision For Retention pay	**8.33**	1.20
Other employee benefits	**1.52**	7.31
	33.37	**29.70**
Current		
Provision for employee benefits		
Provision For Leave encashment	**4.51**	5.22
Provision For Retention pay	**0.09**	1.01
	4.60	**6.23**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

20 Trade Payables

	As at March 31, 2018	As at March 31, 2017
Outstanding dues to Micro and Small enterprises #	**19.35**	7.45
Outstanding dues to parties other than Micro and Small enterprises	**1024.89**	801.45
	1,044.24	**808.90**

Refer note 20.1

20.1 Dues To micro, small and medium enterprises

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

	As at March 31, 2018	As at March 31, 2017
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year		
- Principal amount	**42.40**	21.49
- Interest due thereon	**0.70**	0.19
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	**31.60**	28.04
- Interest actually paid under section 16 of MSMED	**-**	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	**0.38**	0.51
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	**1.08**	0.70
- Interest remaining unpaid as at the end of the year	**2.19**	1.11
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	**1.08**	0.70

21 Other Financial Liabilities

	As at March 31, 2018	As at March 31, 2017
Current		
Current maturities of long term debt	**383.80**	418.78
Interest accrued	**25.08**	8.85
Unpaid dividends*	**6.32**	6.32
Security deposits	**6.27**	6.16
Payables to capital creditors		
Outstanding dues to Micro and Small enterprises #	**25.24**	15.15
Outstanding dues to parties other than Micro and Small enterprises	**76.24**	68.32
Foreign currency forward contracts designated in hedge accounting relationships	**0.36**	-
Others	**0.28**	0.57
Total other financial liabilities	**523.59**	**524.15**

* Will be credited to investor education and protection fund if not claimed within seven years from the date of issue of dividend/interest warrant and the date the fixed deposits have matured.

Refer note 20.1

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

22 Tax Assets and Liabilities

	As at March 31, 2018	As at March 31, 2017
Current tax assets		
Taxes paid (Net) - Current	**17.71**	9.92
Current tax liablities		
Income tax payable (net)	**10.53**	13.61

23 Other Liabilities

	As at March 31, 2018	As at March 31, 2017
Non-current		
Deferred government grants*	**34.26**	29.92
	34.26	**29.92**
Current		
Advances received from customers	**33.12**	28.96
Statutory remittances	**30.13**	34.78
Other taxes payables	**28.47**	41.25
Gratuity	**6.75**	6.24
Deferred government grants*	**-**	0.50
	98.47	**111.73**

* The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund of the such duty in the form of freely transferable duty credit scrips of upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2018 is ₹ 145.68 Crores (Previous Year - ₹ 104.93 Crores).

Further, the group has received financial assistance from the Industrial Development Corporation of South Africa for the development of the clothing and textiles competitiveness programme - RCF in respect of its property plant and equipment. The Group has received a Manufacturing Investment Programme ("MIP") grant from the Department of Trade and Industry ("DTI") South Africa for costs incurred in the construction of its manufacturing assets. There are no unfulfilled conditions or contingencies attached to these grants. In the current year the Board of Directors of SRF Industex Belting Pty. Limited (SRFIB), a wholly owned step down subsidiary of the company had decided to close its technical textile business operations, thus the balance unamortised deferred government grant has been recognised in profit and loss statement.

The unamortized grant amount as on March 31, 2018 is ₹ 34.26 Crores (March 31, 2017: ₹ 30.42 Crores). The group recognised ₹ 6.38 Crores (2017: ₹ 2.10 Crore) in the statement of profit & loss account as amortisation of grant.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

24 Revenue from Operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)*		
Manufactured goods	**5,537.24**	4,980.22
Traded goods	**69.41**	73.96
	5,606.65	**5,054.18**
Other operating revenues		
Claims	**1.89**	0.94
Export incentives	**45.70**	44.69
Scrap sales	**19.58**	10.62
Other operating income	**11.05**	26.16
	78.22	**82.41**
	5,684.87	**5,136.59**

* Consequent to introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of revenue. Accordingly, the figures for the periods upto June 30, 2017 are not strictly relatable to those thereafter. The following additional information is being provided to facilitate such understanding.

		Year ended March 31, 2018	Year ended March 31, 2017
A.	Sale of products	**5,606.65**	5,054.18
B.	Excise duty on sale of goods	**95.83**	314.79
C.	Sale of products excluding excise duty [A-B]	**5,510.82**	**4,739.39**

25 Other Income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income*		
- from customers	**0.09**	0.60
- on loans and deposits	**0.91**	1.31
- on others	**2.86**	3.10
Other non-operating income	**21.05**	24.72
Other gains and losses		
Net gain on sale/discarding of property, plant and equipment	**0.58**	-
Net gain on financial assets measured at FVTPL	**9.95**	13.32
Net currency exchange fluctuation gains	**46.32**	27.55
Grant income	**6.38**	2.10
Provision / Liabilities no longer required written back	**26.98**	0.31
	115.12	**73.01**

* pertains to assets at amortised cost

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

26.1 Cost of Materials Consumed

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock of raw materials	**414.41**	290.06
Add: Purchases of raw materials	**3,083.24**	2,513.52
	3,497.65	2,803.58
Less: Closing stock of raw materials	**481.95**	414.41
Cost of materials consumed	**3,015.70**	**2,389.17**

26.2 Purchases of Stock in Trade

	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	**47.40**	51.07
	47.40	**51.07**

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

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year:		
Stock-in-Process	**110.97**	101.45
Finished goods	**194.96**	181.82
Traded goods	**4.01**	1.87
Less: Excise duty on finished goods	**-**	(14.30)
	309.94	**270.84**
Effect of changes in exchange currency rates		
Stock-in-Process	**3.31**	0.96
Finished goods	**4.69**	0.99
	8.00	**1.95**
Inventories at the beginning of the year:		
Stock-in-Process	**101.45**	77.08
Finished goods	**181.82**	181.63
Traded goods	**1.87**	2.64
Less: Excise duty on finished goods	**(14.30)**	(13.89)
	270.84	**247.46**
Net (Increase) / Decrease	**(31.10)**	**(21.43)**

27 Employee Benefits Expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages, including bonus	**398.59**	361.80
Contribution to provident and other funds	**28.03**	27.15
Workmen and staff welfare expenses	**47.42**	44.85
	474.04	**433.80**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

28 Finance Cost

	Year ended March 31, 2018	Year ended March 31, 2017
Interest cost*	**102.59**	84.24
Other borrowing costs	**15.21**	14.85
Exchange differences regarded as an adjustment to borrowing costs	**6.09**	2.68
	123.89	**101.77**

* Includes unwinding of deferred payment liabilty and pertains to liability at amotized cost

29 Depreciation and Amortisation Expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	**301.78**	265.53
Amortisation of intangible assets	**14.02**	17.91
	315.80	**283.44**

30 Other Expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Bad debts / advances written off	**2.65**	0.56
Contract conversion charges	**2.56**	3.35
Directors' sitting fees	**0.19**	0.19
Expenditure on Corporate Social Responsibility	**5.00**	7.60
Fixed assets/inventory provided / written off	**6.48**	2.58
Freight	**209.11**	153.86
Insurance	**21.87**	18.55
Power and Fuel	**500.79**	417.80
Professional and legal charges	**34.00**	26.84
Provision for doubtful debts / advances	**0.37**	(0.40)
Rates and taxes	**7.98**	16.86
Rent	**29.43**	24.67
Repairs and Maintenance		
- Buildings	**4.91**	4.35
- Plant and machinery	**134.72**	123.41
- Other maintainces	**35.78**	34.10
Selling commission	**12.56**	9.74
Stores and Spares consumed	**55.00**	44.85
Travel	**18.16**	20.10
Auditor Remuneration#		
- Audit Fees	**1.17**	1.04
- For limited review of unaudited financial results	**0.56**	0.67
- For Corporate governance, consolidated financial statements and other certificates	**0.15**	0.17
- For tax audit	**0.24**	0.23
- Reimbursement of out of pocket expenses	**0.07**	0.02
Miscellaneous expenses	**93.01**	88.66
	1,176.76	**999.80**

#including fees paid to auditors of Subsidiary Companies

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

31 Income Tax Recognised in Profit and Loss

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In relation to current year	**109.52**	116.49
In relation to earlier years	**(2.46)**	-
	107.06	**116.49**
Deferred tax		
In relation to current year		
MAT credit	**(49.17)**	(58.89)
Others	**96.55**	84.60
In relation to earlier years		
MAT credit*	**(39.74)**	-
Others	**5.26**	-
	12.90	**25.71**
	119.96	**142.20**

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

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	**581.67**	**657.19**
Income Tax Expense @ 34.608% (2017: 34.608%)	**201.31**	227.44
Weighted deduction under section 35(2AB) and 80-IA	**(36.70)**	(36.38)
Investment allowance on plant and machinery	**-**	(22.39)
Effect of expenses that are not deductible in determining taxable profits	**1.04**	4.03
Effect of deduction under the tax laws	**(2.98)**	(4.43)
Effect of change in tax rates	**4.90**	-
Effect of income of overseas subsidiaries that is exempt from respective subsidiary's tax laws	**(4.19)**	(15.65)
Effect of lower tax rates in overseas subsidiaries	**(8.92)**	(10.21)
Effect of Deffered tax reversal in overseas subsidiaries	**2.69**	-
Others	**(0.25)**	(0.21)
Income tax expenses recognised in profit and loss in relation to current year	**156.90**	**142.20**
Income tax expenses recognised in profit and loss in relation to earlier years*	**(36.94)**	-
Total Income tax expenses recognised in profit and loss	**119.96**	142.20

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.608% (2017: 34.608%) payable by Indian entities in India on taxable profits under the Indian tax law.

*This amount includes tax credit of ₹ 33.97 Crores which is related to finalization and determination of deduction claimed for earlier years of benefits as per Section 80-IA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on court judgments, opinion from external tax experts, finalization of transfer pricing study and cost audit of the respective years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(All amounts in ₹ Crores, unless otherwise stated)

32 Income Tax Recognised in Other Comprehensive Income

	Year ended March 31, 2018	Year ended March 31, 2017
Arising on income and expense recognised in other comprehensive income		
Net gain on designated portion of hedging instruments in cash flow hedges	**9.33**	(5.27)
Remeasurement of defined benefit obligation	**0.29**	0.13
	9.62	**(5.14)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	**9.33**	(5.27)
Items that will not be reclassified to profit or loss	**0.29**	0.13
	9.62	**(5.14)**

33 Contingent Liabilities and Commitments

		As at March 31, 2018	As at March 31, 2017
a.	Claims against the group not acknowledged as debts :		
	Excise duty, custom duty and service tax*@	**22.94**	70.12
	Sales tax and entry tax (refer note 'b' below)**@	**63.19**	124.26
	Income Tax****	**8.58**	7.93
	Stamp Duty*****	**28.81**	28.81
	Others***	**0.94**	1.01

* Amount deposited ₹ 7.49 Crores (2017 : ₹ 8.60 Crores)

** Amount deposited ₹ 21.76 Crores (2017 : ₹ 12.39 Crores)

*** Amount deposited ₹ 0.08 Crore (2017 : ₹ 0.08 Crore)

**** Amount deposited ₹ 6.07 Crores (2017 : ₹ 6.48 Crores)

***** In the matter of acquisition of the Tyrecord Division at Malanpur from CEAT Limited the Collector of Stamps, Bhind (Madhya Pradesh) has by his order dated 07.11.2001 assessed the value of the subject matter of the Deed of Conveyance dated 13.06.1996 at ₹ 303.00 Crores and levied a stamp duty of ₹ 23.73 Crores and imposed a penalty of ₹ 5.09 Crores. The said demand was challenged before the Hon'ble High Court of Madhya Pradesh Bench at Gwalior. The Hon'ble High Court of Madhya Pradesh accepted the case of the Company that the subject matter of the Deed of Conveyance dated 13.06.1996 is only the superstructures valued at ₹ 27.76 Crores and not the entire undertaking valued at ₹ 303.00 Crores as claimed by the State. Consequently, the Hon'ble High Court of Madhya Pradesh quashed the order and demands issued by the Collector of Stamps, Bhind (Madhya Pradesh) and allowed the writ petition by an order dated 29th November 2004. Against the said order, the State of Madhya Pradesh preferred a Special Leave Petition before the Hon'ble Supreme Court which the State of Madhya Pradesh has withdrawn to enable it to approach the Hon'ble High Court of Madhya Pradesh at Gwalior in view of the change in law in the State of Madhya Pradesh relating to Letters Patent Appeal. Since then, the Department has filed appeal which has been admitted. Matter will be listed in due course.

@ As per Business Transfer Agreement with KAMA Holdings Limited, the liabilities of ₹ 20.64 Crores (2017 : ₹ 20.64 Crores) and ₹ 0.38 Crore (2017: Rs 0.38 Crore) respectively towards Excise Duty and Sales tax are covered under Representations and Warranties.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

b. The Company had received demand for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to ₹ 123.11 Crores including interest and penalty of ₹ 34.38 Crores for the period 2004 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to Domestic Tariff Area (DTA). The Company had already paid on the same products ₹ 51.37 Crores as Additional Countervailing Duty (ACVD) to the Central Government. The Company had filed writ petitions against all such demands, on which the Hon'ble High Court of Madhya Pradesh ("Court") has granted stay.

In respect of such demands, the Company made representation to Government of Madhya Pradesh and its regulatory authorities, based on such representation the Company is allowed certain benefits and concessions in respect of such demand.

The Management is of view that the overall matter has been resolved and no material liability is likely to fructify on the Company.

c. The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to ₹ 23.51 Crores (2017 : ₹ 23.95 Crores) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

d. Liability on account of bank guarantees of Rs.123.79 Crores (2017 : ₹ 120.13 Crores)

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

34 Capital and other commitments

		As at March 31, 2018	As at March 31, 2017
(i)	Estimated Amount of contracts remaining to be executed on capital account & not provided for	**140.82**	397.87

(ii) The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.

(iii) The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund of the such duty in the form of freely transferable duty credit scrips of upon meeting of requisite export obligation. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2018 is ₹ 145.68 Crores (Previous Year - ₹ 104.93 Crores).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

35 Related Party Transactions

35.1 Description of related parties

Holding Company	Key management personnel
KAMA Holdings Limited	Mr. Arun Bharat Ram
	Mr. Ashish Bharat Ram
	Mr. Kartik Bharat Ram
Fellow subsidiaries	Mr. K. Ravichandra*
KAMA Realty (Delhi) Limited	Mr. Vinayak Chatterjee
Shri Educare Limited	Mr. Tejpreet S Chopra
Shri Educare Maldives Private Limited	Mr. L.Laxshman
SRF Transnational Holdings Limited	Mr. Vellayan Subbiah
	Mr. Pramod Bhasin
	Ms. Meenakshi Gopinath
	Mr. Pramod Gopaldas Gujarathi**

Post Employment Benefit Plans Trust	Enterprises over which KMP have significant influence ^
SRF Welfare Trust	SRF Foundation
SRF Limited Officers Provident Fund Trust	Karm Farms LLP
SRF Employees Gratuity Trust	Srishti Westend Greens Farms LLP
SRF Officers Gratuity Trust	SRF Welfare Trust
	Statkraft BLP Solar Solutions Private Limited

* upto March 31, 2017

** from April 1, 2017

^ Only with whom the company has transaction during the year.

35.2 Transactions with related parties

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of property, plant & equipment and intangible assets from:		
Enterprises over which KMP have significant influence	**23.40**	-
	23.40	**-**
Rent paid		
Holding company	**6.72**	6.62
Key management personnel	**0.29**	0.29
Enterprises over which KMP have significant influence	**1.56**	1.47
	8.57	**8.38**
Reimbursement of expenses from		
Holding Company	**0.0051**	0.0045
Fellow Subsidiaries	**0.04**	0.04
	0.05	**0.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Loans / deposits given to (including exchange fluctuation)		
Fellow Subsidiaries	**0.05**	-
Enterprises over which KMP have significant influence	**0.05**	-
	0.10	**-**
Loans/deposits received back from		
Donations to		
Enterprises over which KMP have significant influence	**5.00**	7.60
	5.00	**7.60**
Contribution to post employment benefit plans		
Post employment benefit plans trust	**21.69**	16.94
	21.69	**16.94**

35.3 Outstanding Balances

	As at March 31, 2018	As at March 31, 2017
Commission Payable		
Key management personnel	**5.85**	5.85
	5.85	**5.85**
Payable		
Post employment benefit plans trust	**7.83**	5.76
	7.83	**5.76**
Security Deposits outstanding		
Fellow Subsidiaries	**3.39**	3.34
Key management personnel	**0.13**	0.13
Enterprises over which KMP have significant influence	**1.38**	1.34
	4.90	**4.81**

35.4 Key management personnel compensation

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term benefits*	**14.84**	14.14
Post-employment benefits	**1.23**	1.09
Other long-term benefits	**0.30**	0.47
	16.37	**15.70**

* includes sitting fees and commission paid / payable to Non Executive Directors

(All amounts in ₹ Crores, unless otherwise stated)

36 Employee Benefits

36.1 Defined contribution plans:

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

Indian Entities	For the year ended March 31, 2018	For the year ended March 31, 2017
Superannuation fund (Refer to note (i) below)	**0.91**	0.72
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	**9.46**	8.54
Employees' State Insurance Corporation	**1.58**	0.80
	11.95	**10.06**

Foreign Entities	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to provident fund	**2.47**	2.65
Skill and development & Social Security Fund	**1.45**	1.48
Pension fund	**1.16**	1.08
	5.08	**5.21**

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

(i) Superannuation fund

The group makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance company Limited.

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

(ii) Provident fund administered through Regional Provident Fund Commissioner

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

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36.2 Defined benefit plans

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

(a) Gratuity

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

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

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

Investment Risk

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

Salary Risk

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

Interest Risk

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

Longevity Risk

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

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

Indian Entities	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	**7.74%**	**7.74%**	**7.35%**	7.35%
Salary increase	**7.50%**	**7.50%**	7.50%	7.50%
Retirement Age (years)	**58**	**58**	58	58
Mortality Rates	**IALM (2006-08)**	**IALM (2006-08)**	IALM (2006-08)	IALM (2006-08)
Withdrawal rate				
Upto 30 years	**10.00%**	**10.00%**	10.00%	10.00%
31 to 44 years	**5.00%**	**5.00%**	5.00%	5.00%
Above 44 years	**2.00%**	**2.00%**	2.00%	2.00%

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Foreign Entities	As at March 31, 2018		As at March 31, 2017	
	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)
Discount Rate	**2.88%/3.07**	**0.00%**	3.13%/3.32%	9.80%
Salary increase	**5.00%/5.00%**	**0.00%**	5.00%/4.85%	
In service mortality	**TMO**	**SA**	TMO	SA
	2017		2008	85-90
Retirement Age	**60 / 55**	**-**	60 / 55	60 - 65
Withdrawal Rate				
- up to 20 years	**55/20**	**-**	55/25	15
21-30	**45/17**		45/20	
31-40'	**17/12**		20/12.5	
41-50	**7/3**		10/5	
51 onwards	**3/2**		4/0	

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

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

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

Indian Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	**5.44**	**5.37**	5.09	4.68
Net interest expenses	**0.46**	**-**	0.61	-
	5.90	**5.37**	**5.70**	**4.68**

Foreign Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)
Current Service cost	**1.32**	**0.19**	1.19	0.04
Net interest expenses	**0.19**	**-**	0.10	0.17
Provision no longer required*		**(1.97)**		
	1.51	**(1.78)**	**1.29**	**0.21**

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

Notes to the Consolidated Financial Statements

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(iv) Amounts recognised in other comprehensive income:

Indian Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Return on plan assets (excluding amounts included in net internet expenses)	**(1.02)**	-	(5.87)	-
Actuarial (gain)/losses arising from changes in financial assumptions	**(2.03)**	-	2.85	-
Actuarial (gain)/losses arising from changes in experience adjustments	**3.90**	-	3.56	-
	0.85	-	**0.54**	-

Foreign Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)
Actuarial (gain)/losses arising from changes in financial assumptions	**0.18**	-	(0.48)	-
Actuarial (gain)/losses arising from changes in experience adjustments & demographic assumption	**0.38**	-	(0.34)	-
	0.56	-	**(0.82)**	-

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

Indian Entities	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	**62.22**	**105.25**	57.53	93.31
Fair Value of Plan Assets	**55.47**	**106.83**	51.29	93.48
Surplus / (Deficit)	**(6.75)**	**1.58**	**(6.24)**	**0.17**
Effect of asset ceiling, if any	-	**(1.58)**	-	(0.17)
Net assets / (liability)	**(6.75)**	-	**(6.24)**	-

Foreign Entitles	As at March 31, 2018		As at March 31, 2017	
	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)
Present value of funded defined benefit obligation	**8.09**	-	5.45	1.86
Fair Value of Plan Assets	-	-	-	-
Net asset / (liability)	**(8.09)**	-	**(5.45)**	**(1.86)**

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

Indian Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	**57.53**	**93.31**	48.53	79.38
Current Service Cost	**5.44**	**5.37**	5.09	4.68
Interest Cost	**4.23**	**6.82**	3.89	6.29
Actuarial (gain)/losses arising from changes in financial assumptions	**(2.03)**	**-**	2.85	-
Actuarial (gain)/losses arising from changes in experience adjustments	**3.90**	**-**	3.56	-
Benefits paid	**(6.85)**	**(11.82)**	(6.39)	(5.13)
Contribution by plan participants / employees	**-**	**8.11**	-	6.52
Settlement / transfer in	**-**	**3.46**	-	1.57
Closing defined benefit obligation	**62.22**	**105.25**	**57.53**	**93.31**

Foreign Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Legal Severance Pay	Health Care (Unfunded)	Legal Severance Pay	Health Care (Unfunded)
Opening defined benefit obligation	**5.45**	**1.86**	4.92	1.59
Current Service Cost*	**1.32**	**(1.78)**	1.19	0.04
Interest Cost	**0.19**	**-**	0.10	0.17
Actuarial (gain)/losses arising from changes in financial assumptions	**0.18**	**-**	(0.48)	-
Actuarial (gain)/losses arising from changes in experience adjustments & demographic assumption	**0.38**	**-**	(0.34)	-
Exchange difference on foreign plans	**0.46**	**-**	0.06	0.11
Benefits paid/Settled	**0.11**	**(0.08)**	-	(0.05)
Closing defined benefit obligation	**8.09**	**-**	**5.45**	**1.86**

* Provision reversal due to closure of business operations in South Africa.

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

Indian Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	**51.29**	**93.48**	40.92	79.55
Return on plan assets (excluding amounts included in net interest expenses)	**4.79**	**8.23**	9.15	6.29
Contributions from employer	**6.24**	**5.37**	7.61	4.68
Contributions from plan participants	**-**	**8.11**	-	6.52

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Indian Entities	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Benefits paid	**(6.85)**	**(11.82)**	(6.39)	(5.13)
Settlement / Transfer in	**-**	**3.46**	-	1.57
Asset Loss				
Closing fair value of plan assets	**55.47**	**106.83**	**51.29**	**93.48**

Plan assets comprises of HDFC Group Unit Linked Plan fund, Government of India securities and bank balances. The average duration of defined benefit obligation is 23 years (2017: 23 years). The company expects to make a contribution of ₹ 6.54 Crores (2017: ₹ 5.95 Crores) to the defined benefit plans during next financial year.

(viii)Sensitivity Analysis

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

Indian Entities

If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by ₹ 2.45 Crores (Increase by ₹ 2.64 Crores) (as at March 31, 2017: decrease by ₹ 2.23 Crores (increase by ₹ 2.41 Crores))

If the expected salary growth increases (decreases) by 50 basis points, the defined benefit obligation would increase by ₹ 2.63 Crores (decrease by ₹ 2.46 Crores) (as at March 31, 2017 : increase by ₹ 2.39 Crores (decrease by ₹ 2.24 Crores))

Foreign Entities

If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 0.72 crore (Increase by ₹ 0.83 crore) (as at March 31, 2017: decrease by ₹ 0.49 Crore (increase by ₹ 0.55 crore))

If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by ₹ 0.89 crore (decrease by ₹ 0.76 crore) (as at March 31, 2017: increase by ₹ 0.57 crore (decrease by ₹ 0.52 crore)

Sensitivity due to mortality & withdrawals are insignificant and hence ignored

36.3 Other long-term employee benefit

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Long term retention pay (Refer to note (i) below)	**1.60**	0.15
Compensated absences	**5.62**	6.81
	7.22	**6.96**

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(i) Long Term Retention Pay

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

37 Segment Reporting

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

- Technical Textiles business: includes nylon tyre cord fabric, belting fabric, coated fabric, laminated fabric, polyester tyre cord fabric and industrial yarns and its research and development
- Chemicals and Polymers business: includes refrigerant gases, chloromethane, pharmaceuticals, fluorochemicals & allied products, engineering plastics business and its research and development.
- Packaging Film Business includes polyester films.

Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.

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

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities

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

	Year ended March 31, 2018	Year ended March 31, 2017
Segment Revenue		
a) Technical Textiles Business (TTB)		
- External sales	**2,078.16**	2,007.68
- Inter-segment sales	**2.83**	2.56
Total	**2,080.99**	**2,010.24**
b) Chemicals and Polymers (CPB)		
- External sales	**1,826.50**	1,721.40
- Inter-segment sales	**-**	-
Total	**1,826.50**	**1,721.40**

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	Year ended March 31, 2018	Year ended March 31, 2017
c) Packaging Films Business (PFB)		
- External sales	**1,780.21**	1,407.51
- Inter-segment sales	**2.06**	1.70
Total	**1,782.27**	**1,409.21**
Total Segment revenue	**5,689.76**	**5,140.85**
Less: Inter Segment revenue	**4.89**	4.26
Revenue from Operations	**5,684.87**	**5,136.59**
Add: Unallocable Income	**115.12**	73.01
Total Revenue	**5,799.99**	**5,209.60**
Segment Profits		
(Profit / (Loss) before interest and tax from each segment)		
a) Technical Textiles Business (TTB)	**271.02**	257.08
b) Chemicals and Polymers (CPB)	**295.59**	327.35
c) Packaging Films Business (PFB)	**229.77**	201.27
Total Segment results	**796.38**	**785.70**
Less: i) Interest & Finance Charges	**123.89**	101.77
Less: ii) Other Unallocable expenses net of income	**90.82**	26.74
Profit before tax	**581.67**	**657.19**
Less: Provision for taxation	**119.96**	142.20
Profit after tax	**461.71**	**514.99**

Segment assets and liabilities

	As at March 31, 2018	As at March 31, 2017
Segment Assets		
a) Technical Textiles Business (TTB)	**1,557.60**	1,645.03
b) Chemicals and Polymers (CPB)	**4,025.67**	3,057.90
c) Packaging Films Business (PFB)	**2,478.84**	1,906.39
Total	**8,062.11**	**6,609.32**
Unallocable Assets	**300.90**	361.61
Total Assets	**8,363.01**	**6,970.93**
Segment Liabilities		
a) Technical Textiles Business (TTB)	**472.39**	430.02
b) Chemicals and Polymers (CPB)	**385.19**	330.48
c) Packaging Films Business (PFB)	**441.16**	310.42
Total	**1,298.74**	**1,070.92**
Unallocable Liabilities	**3,499.74**	2,717.35
Total Liabilities	**4,798.48**	**3,788.27**

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Capital Expenditure

	Year ended March 31, 2018	Year ended March 31, 2017
Capital Expenditure		
a) Technical Textiles Business (TTB)	**55.94**	14.57
b) Chemicals and Polymers (CPB)	**936.28**	341.82
c) Packaging Films Business (PFB)	**274.89**	348.92
d) Unallocated	**10.92**	15.71
Total	**1,278.03**	**721.02**
Depreciation		
a) Technical Textiles Business (TTB)	**48.34**	51.72
b) Chemicals and Polymers (CPB)	**188.03**	167.69
c) Packaging Films Business (PFB)	**68.61**	53.10
d) Unallocated	**10.82**	10.93
Total	**315.80**	**283.44**

	Year ended March 31, 2018	Year ended March 31, 2017
Geographical Information		
Revenue from operations		
- India	**3,182.90**	**2,907.95**
- South Africa	**359.31**	**331.35**
- Singapore	**83.54**	**229.15**
- Germany	**166.17**	**251.14**
- USA	**325.39**	**192.71**
- Thailand	**155.16**	**147.57**
- Others	**1,412.40**	**1,076.72**
	5,684.87	**5,136.59**

	As at March 31, 2018	As at March 31, 2017
Non current segment assets		
Within India	**5,097.04**	4,041.72
Outside India	**784.88**	779.71
	5,881.92	**4,821.43**

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

No single customer contributed 10% or more to the group's revenue for both 2017-18 and 2016-17

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Revenue from major products

	Year ended March 31, 2018	Year ended March 31, 2017
Manufactured goods		
Synthetic Filament Yarn including Industrial Yarn/Tyre Cord/Twine	**160.57**	158.86
Nylon Tyre Cord Fabric/ Polyester tyre cord fabric / Industrial Yarn Fabric	**1,643.08**	1,603.21
Laminated Fabric	**254.42**	170.25
Nylon / PBT / PC Compounding Chips	**215.04**	221.51
Fluorochemicals, Refrigerant Gases & Allied Products	**764.95**	590.14
Fluorospecialities Chemicals	**571.58**	606.14
Chlorinated Solvents	**132.30**	164.72
Packaging Films	**1,754.70**	1,360.73
Waste/Others	**40.60**	104.66
	5,537.24	**4,980.22**
Traded goods	**69.41**	73.96
	5,606.65	**5,054.18**

38 Earnings Per Share

	Year ended March 31, 2018	Year ended March 31, 2017
Basic Earnings per share (₹)	**80.41**	89.69
Diluted Earnings per share (₹)	**80.41**	89.69
Profit attribuatable to equity holders of the group used in calculating basic earning per share and dilluted earning per share	**461.71**	514.99
Weighted average number of equity shares of the group used in calculating basic earning per share and dilluted earning per share (nos.)	**5,74,20,500**	5,74,20,500

39 Operating Lease

The group has entered into operating lease agreements for various premises taken for accommodation of group's officers / directors, various offices of the group, lands & certain equipments. These arrangements are both cancellable and non-cancellable in nature and range between two to Ninety nine years. The future minimum lease payments under non-cancellable operating leases are as under:

	As at March 31, 2018	As at March 31, 2017
Non-cancellable operating lease commitments		
- Within one year	**8.15**	19.99
- Later than one year & not later than five years	**11.89**	16.57
- Later than five years	**60.91**	62.86
	80.95	**99.42**

	Year ended March 31, 2018	Year ended March 31, 2017
Lease Rent Recognised in the statement of profit & loss as per note 30	**29.43**	24.67

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40 Financial Instruments and Risk Management

40.1Capital Management

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders through maintaining reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures like Debt Equity Ratio, Debt Service Coverage Ratio, Interest Service Coverage Ratio & Debt to EBIDTA ratios to arrive at an appropriate level of debt and accordingly evolve its capital structure.

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

	As at March 31, 2018	As at March 31, 2017
Debt	**3,141.84**	2,396.21
Cash & cash equivalents	**87.01**	87.63
Net Debt	**3,054.83**	**2,308.58**
Total Equity	**3,564.53**	**3,182.66**
Net debt to equity ratio	**0.86**	**0.73**

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40.2 Financial instruments by category

	As at March 31, 2018				As at March 31, 2017			
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTOCI	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#^	FVTOCI
Financial Assets								
Investments	121.70	-	-	0.12	146.36	-	49.40	0.12
Trade Receivables	-	-	680.65	-	-	-	656.89	-
Cash and cash equivalents	-	-	87.01	-	-	-	87.63	-
Bank balances other than above	-	-	9.73	-	-	-	8.49	-
Loans	-	-	45.96	-	-	-	56.60	-
Other financial assets	-	13.04	34.59	-	-	21.70	35.37	-
	121.70	**13.04**	**857.94**	**0.12**	**146.36**	**21.70**	**894.38**	**0.12**

	As at March 31, 2018			As at March 31, 2017		
	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#	FVTPL	Fair Value (Derivative Instruments)	Amortised Cost#
Financial Liabilities						
Borrowings	-	-	2,758.04	-	-	1,977.43
Trade Payables	-	-	1,044.24	-	-	808.90
Other financial liabilities	-	0.36	523.23	-	-	524.15
	-	**0.36**	**4,325.51**	**-**	**-**	**3,310.48**

^ Non convertible debentures reclassified from amortised cost to FVTPL during the year.

Carrying value of the financial assets and liabilities designated at amortized cost approximates its fair value.

(All amounts in ₹ Crores, unless otherwise stated)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments*	121.70	-	0.12	**121.82**
Other financial assets**	-	13.04	-	**13.04**
	121.70	**13.04**	**0.12**	**134.86**
Financial Liabilities				
Other financial liabilities***	-	0.36	-	**0.36**
	-	**0.36**	**-**	**0.36**

As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments*	**146.36**	**-**	**0.12**	**146.48**
Other financial assets**	-	21.70	-	**21.70**
	146.36	**21.70**	**0.12**	**168.18**
Financial Liabilities				
Other financial liabilities***	-	-	-	**-**
	-	**-**	**-**	**-**

** Investments (Level 1 - Mutual Funds and Non Convertible Debentures, Level 3 - Unquoted equity instruments)

** Other Financial Assets:(Level 2- Hedging Instruments)

*** Other Financial liabilities:(Level 2- Hedging Instruments)

Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of open ended mutual funds.

Level 2:

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

Level 3:

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

Sensitivity of Level 3 Financial Instruments are insignificant

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

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

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

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

Reconciliation of Level 3 fair value measurements

	Unlisted equity instruments
As at April 1, 2016	**4.33**
Purchases	0.01
Gain / (loss) recognised in OCI	(4.22)
As at March 31, 2017	**0.12**
Purchases	-
Gain / (loss) recognised in OCI	-
As at March 31, 2018	**0.12**

40.3 Financial Risk Management

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

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

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

Notes to the Consolidated Financial Statements

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40.3.1 Market Risk

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

A. Foreign Currency Risk Management

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

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

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

	Assets		Liabilities	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
USD	**316.03**	330.60	**1,734.56**	1,877.23
EUR	**92.81**	36.47	**469.11**	8.87
JPY	**-**	-	**6.55**	-

Foreign currency sensitivity analysis

The group is mainly exposed to USD, EURO and JPY

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	₹ strengthens by 1%	**₹ weakens by 1%**	**₹ strengthens by 1%**	**₹ weakens by 1%**
Impact on profit /(loss) for the year				
USD	**14.21**	**(14.21)**	2.58	(2.58)
EUR	**3.71**	**(3.71)**	(0.40)	0.40
JPY	**0.07**	**(0.07)**	-	-

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(All amounts in ₹ Crores, unless otherwise stated)

Foreign exchange derivative contracts

The group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 12 to 15 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

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

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Millions)		Nominal Amount (₹ Crores)	
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2018**	**As at March 31, 2017**
USD/INR Buy forward	**-**	9	**-**	15.48	**-**	100.28
USD/INR Sell forward	**34**	33	**60.50**	50.00	**394.19**	323.95
EUR/INR sell forward	**-**	-	**-**	-	**-**	-
EUR/USD sell forward	**8**	12	**3.90**	6.30	**31.48**	43.62
EUR/INR Buy forward	**3**	3	**7.32**	4.80	**59.05**	33.24
EUR/USD Buy forward	**-**	10	**-**	14.95	**-**	103.51
GBP/USD Buy forward	**-**	2	**-**	1.88	**-**	15.23
EUR/ZAR Sell Forward	**-**	1	**-**	0.70	**-**	4.85
USD/THB Sell Forward	**-**	-	**-**	-	**-**	-
USD/THB Buy Forward	**4**	4	**2.27**	2.80	**14.76**	18.14
USD/ZAR Buy Forward	**3**	2	**1.50**	1.25	**9.77**	8.10
USD/ZAR Sell Forward	**-**	1	**-**	0.30	**-**	1.94
Fair value assets / (liabilities)					**5.62**	16.90

* Sensitivity on the above derivative contacts in respect of foreign currency exposure is insignificant

B. Interest Rate Risk Management

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

The group manages its interest rate risk by having a agreed portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total borrowings, the amount of fixed interest loan is ₹ 939 Crores and floating interest loan is ₹ 1348 Crores (March 31, 2017: Fixed interest loan ₹ 481 Crores and Floating interest loan ₹ 1352 Crores)

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

	Year ended March 31, 2018		Year ended March 31, 2017	
	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %	₹ loans interest rate decreases by 0.50 %	USD loans interest rate decreases by 0.15 %
Increase in profit before tax by	**1.04**	**2.85**	0.61	2.70

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

Interest Rate Swap Contracts

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

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

Outstanding Contracts*	No of Deals		Foreign Currency (FCY Millions)		Nominal Amount (₹ Crores)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
IRS Contracts*	**7**	5	**40.21**	51.33	**261.99**	332.60
Fair value assets /(liabilities)					**7.05**	4.80

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

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

40.3.2 Credit Risk Management

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

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

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

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Financial assets for which loss allowance is measured:

	Note No.	As at March 31, 2018	As at March 31, 2017
Loans - Non-current	8	**0.15**	0.15
Loans - Current	8	**2.74**	2.74
Other asset	10	**-**	-
Trade receivables	13	**15.83**	15.15
		18.72	**18.04**

As at April 1, 2016	**20.11**
Provided during the year	0.16
Reversed during the year	(2.23)
As at March 31, 2017	**18.04**
Provided during the year	3.02
Reversed during the year	(2.33)
As at March 31, 2018	**18.73**

Other than financial assets mentioned above, none of the group's financial assets are either impaired or past due, and there were no indications that defaults in payments obligation would occur.

40.3.3 Liquidity Risk Management

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

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

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2018				
Borrowings*	1,234.57	1,649.83	257.43	**3,141.83**
Trade payables	1,044.24	-	-	**1,044.24**
Other financial liabilities	139.80	**-**	**-**	**139.80**
	2,418.61	**1,649.83**	**257.43**	**4,325.87**

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	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
As at March 31, 2017				
Borrowings*	964.35	1,278.38	153.48	**2,396.21**
Trade payables	808.90	-	-	**808.90**
Other financial liabilities	105.37	-	-	**105.37**
	1,878.62	**1,278.38**	**153.48**	**3,310.48**

* including current maturity of non-current borrowings

41 Group Information

Name	Principal activities	Country of incorporation	% equity interest	
			March 31, 2018	March 31, 2017
SRF Holiday Home Limited	Develop, build & lease of Industrial, commercial & residential complexes	India	100%	100%
SRF Global BV	Investment company	Netherlands	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%
SRF Overseas Limited (subsidiary of SRF Global BV)	Discontinued operations in the year ended March 31, 2014 Liquidated on March 7, 2017	British Virgin Islands	*	*
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized PET film & trading of chemical products	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of Belting fabrics	Republic of South Africa	100%	100%

*Upto March 7, 2017

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
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42 Additional information as required by Paragraph 2 of General Instructions for preparation of Consolidated Financial Statements to the Schedule III to the Companies Act, 2013

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ Crores)	As % of consolidated Share in profit or loss	Amount (₹ Crores)	As % of consolidated other comprehensive income	Amount (₹ Crores)	As % of total consolidated comprehensive income	Amount (₹ Crores)
I	**Parent - SRF Limited**	97%	3,449.67	88%	405.66	-579%	(17.91)	83%	387.75
II	**Subsidiaries:**								
	A. A Indian								
	1. SRF Holiday Home Limited	0%	3.83	0%	(0.05)	-	-	-	(0.05)
	B. Foreign								
	1. SRF Global BV (Consolidated)	5%	190.44	12%	54.17	679%	21.00	17%	75.18
	Adjustments arising out of consolidation	-2%	(79.41)	0%	1.93	-	-	-	1.91
	Total	**100%**	**3,564.53**	**100%**	**461.71**	**100%**	**3.09**	**100%**	**464.80**
	Non-controlling Interests in all subsidiaries	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

43 Additional Disclosures

(a) Research and Development Expenditure

The details of research and development expenditure of ₹ 106.86 Crores (Previous Year - ₹ 137.19 Crores) included in notes 4 to 30 above are as under:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Capital Expenditure	**16.03**	65.27
Revenue Expenditure	**90.83**	71.92
	106.86	**137.19**
The details of revenue expenditure incurred on research and development is as below:		
Cost of material consumed	**1.50**	2.15
Salaries and wages, including Bonus	**33.29**	26.18
Contribution to provident and other funds	**2.01**	1.55
Workmen and staff welfare expenses	**1.93**	2.16
Stores and spares consumed	**8.07**	4.30
Power and fuel	**5.13**	3.25
Rent	**0.35**	0.98
Repairs and maintenance	**-**	
- Buildings	**0.10**	0.02
- Plant and machinery	**10.41**	9.13
-Others	**0.55**	1.58
Insurance	**0.50**	0.31
Rates and taxes	**0.05**	0.05
Travel	**1.42**	2.82
Professional and legal charges	**2.81**	3.64
Depreciation and amortisation expense	**17.53**	11.10
Miscellaneous expenses	**5.18**	2.70
	90.83	**71.92**

(b) Managerial Remuneration

	Year ended March 31, 2018	Year ended March 31, 2017
(i) (a) Chairman / Managing Director / Deputy Managing Director/ Whole time Director		
Salary and contribution to Provident and other funds	**6.74**	6.04
Value of Perquisites	**3.16**	3.02
Commission (Provided)	**5.45**	5.45
Sub-Total	**15.35**	**14.51**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
(b) Non Executive Directors		
Commission (Provided)	**0.40**	0.40
Directors' Sitting Fees	**0.19**	0.19
Other Fees	**0.27**	0.23
Sub-Total	**0.86**	**0.82**
Total	**16.21**	**15.33**

c) The group has elected to continue policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange difference loss/(gain) of ₹ (48.42) Crores arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are added to/deducted from the cost of such assets/capital work in progress and will be depreciated over the balance useful life of assets. The unamortized portion carried forward as at March 31, 2018 is ₹ 169.05 Crores.

d) During the financial year 2017-18, the group has incurred Rs.5.00 Crores (previous year – ₹ 7.60 Crores), on corporate social responsibility activities under section 135 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN -00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company
Secretary

Place : Gurugram
Date : May 17, 2018

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018
(All amounts in ₹ Crores, unless otherwise stated)

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

A. Statement showing sailent features of the financial statements of subsidaries

Indian Subsidiaries

S. No.	Name of the subsidiary	SRF Holiday Home Limited (₹ Crores)
(a)	Reporting Period	1 April 2017 to 31 March, 2018
(b)	Date since when subsidiary was acquired	30.01.2008
(c)	Reporting Currency	INR
(d)	Exchange Rate	-
(e)	Share Capital	4.00
(f)	Reserves and Surplus	(0.16)
(g)	Total Assets	3.83
(h)	Total Liabilities(external liabilities)	0.007
(i)	Investment	-
(j)	Turnover	-
(k)	Profit/(Loss) Before Taxation	(0.05)
(l)	Tax expense / (income)	-
(m)	Profit/(Loss) After Taxation	(0.05)
(n)	Proposed Dividend	-
(o)	% of shareholding	100%

Foreign Subsidiaries

S. No.	Name of the subsidiary	SRF Global BV# (subsidiary of SRF Limited)		SRF Flexipak (South Africa)(Pty) Limited# (subsidiary of SRF Global BV)	
		USD	₹ Crores	Rand	₹ Crores
(a)	Reporting Period	1 April 2017 to 31 March, 2018		1 April 2017 to 31 March, 2018	
(b)	Date since when subsidiary was acquired	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD		Rand	
(d)	Exchange Rate	65.16		5.503	
(e)	Share Capital	1,83,15,664.00	119.34	100.00	0.00
(f)	Reserves and Surplus	(2,00,26,493.00)	(130.49)	7,66,22,909.00	42.17
(g)	Total Assets	6,42,05,016.00	418.36	81,07,14,400.00	446.14
(h)	Total Liabilities (external liabilities)	6,59,15,845.00	429.51	73,40,91,391.00	403.97
(i)	Investment	*	*	-	-
(j)	Turnover	11,80,662.00	7.69	69,85,66,916.00	384.42
(k)	Profit/(Loss) Before Taxation	(31,82,775.00)	(20.74)	12,81,46,780.00	70.52
(l)	Tax expense / (income)	-	-	(3,60,66,287.00)	(19.85)
(m)	Profit/(Loss) After Taxation	(31,82,775.00)	(20.74)	9,20,80,493.00	50.67
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

* Investment in subsidiary USD 8343300 (Equivalent to ₹ 54.36 Crores)

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S. No.	Name of the subsidiary	SRF Industries (Thailand) Limited# (subsidiary of SRF Limited)		SRF Industex Belting (Pty) Limited# (subsidiary of SRF Global BV)	
		THB	**₹ Crores**	**THB**	**₹ Crores**
(a)	Reporting Period	1 April 2017 to 31 March, 2018		1 April 2017 to 31 March, 2018	
(b)	Date since when subsidiary was acquired	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB		Rand	
(d)	Exchange Rate	2.084		5.503	
(e)	Share Capital	10,00,00,300.00	20.84	1,33,20,202.00	7.33
(f)	Reserves and Surplus	76,12,27,285.00	158.64	(4,45,65,250.00)	(24.52)
(g)	Total Assets	3,16,40,42,735.00	659.39	98,54,949.00	5.42
(h)	Total Liabilities(external liabilities)	2,30,28,15,150.00	479.91	4,10,99,997.00	22.62
(i)	Investment	-	-	-	-
(j)	Turnover	3,37,36,68,337.00	703.07	9,01,81,904.00	49.63
(k)	Profit/(Loss) Before Taxation	31,01,18,775.00	64.63	(3,20,63,493.00)	(17.64)
(l)	Tax expense / (income)	(16,66,425.00)	(0.35)	54,34,016.00	2.99
(m)	Profit/(Loss) After Taxation	31,17,85,200.00		(3,74,97,509.00)	(20.63)
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	100%		100%	

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

(i) 1 USD = ₹ 65.16

(ii) 1 Baht = ₹ 2.084

(iii) 1 Rand = ₹ 5.503

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

Name of Associate Companies/Joint Ventures	Malanpur Captive Power Ltd.	Vaayu Renewable Energy (Tapti) Pvt. Ltd.
Latest audited Balance Sheet date	31.03.2017	31.03.2017
Share of Associate Companies held by the Company on the year end	4.22	0.05
Date on which the Associate was associated or acquired	09.01.2007	29.05.2013
Shares of associate held by the company on the year end		
Number of shares	4221535	50000

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Name of Associate Companies/Joint Ventures	**Malanpur Captive Power Ltd.**	**Vaayu Renewable Energy (Tapti) Pvt. Ltd.**
Amount of investment in Associate Companies	4.22	0.05
Extent of holding (%)	22.60%	26.32%
Description of how there is significant influence	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013	Due to control of at least 20% of total share capital as envisaged in Sec. 2(6) of the Companies Act, 2013
Reason why the associate company is not consolidated	*	*
Net worth attributable to shareholding as per latest Audited Balance Sheet	3.40	6.85
Profit & loss for the year		
i) Considered in Consolidation	Nil	Nil
ii) Not considered in Consolidation	(0.36)	0.44

#The company has no joint venture

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

For and on behalf of the Board of Directors

Arun Bharat Ram
Chairman
(DIN - 00694766)

Ashish Bharat Ram
Managing Director
(DIN -00671567)

Kartik Bharat Ram
Deputy Managing Director
(DIN - 00008557)

Vinayak Chatterjee
Director
(DIN - 00008933)

Anoop K Joshi
President, CFO & Company
Secretary

Place : Gurugram
Date : May 17, 2018

SRF LIMITED
(CIN: L18101DL1970PLC005197)
Regd. Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, Delhi – 110091
Corp. Office: Block-C, Sector-45, Gurugram-122 003, Haryana
Email: info@srf.com website: www.srf.com Tel. No: (+91-11) 49482870, (+91-124) 4354400
Fax: (+91-11) 49482900, (+91-124) 4354500

We always find a better way

ADMISSION SLIP

LAXMIPAT SINGHANIA AUDITORIUM, PHD HOUSE,
4/2 SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI-110 016

Tuesday, August 7, 2018 11.00 A.M.

PARTICULARS TO BE COMPLETED BY SHAREHOLDER/PROXY

I /We hereby record my/our presence at the **47th Annual General Meeting of SRF LIMITED**

DP Id/Client Id/ Registered Folio No...
Name of the Shareholder/Proxy...
No. of shares held..

....
Signature(s) of person(s) attending

Notes:
1. Please produce this admission slip duly completed at the entrance for admission to the meeting hall.
2. The attendance counter will open at 10.00 a.m.
3. Tea, coffee and cold drinks will be served at the meeting.
4. Please bring your copy of the Annual Report to the meeting.

SRF LIMITED
(CIN: L18101DL1970PLC005197)
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PROXY FORM

(Form No. MGT-11)
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member (s)		Email Id	
Registered Address		Folio No./ DP ID-Client ID	

I/We being the member(s) holding .... shares of the above named Company hereby appoint :

(1) Name:..Address: ....
Email Id: ....Signature....................... or falling him;

(2) Name:..Address: ....
Email Id: ....Signature....................... or falling him;

(3) Name:...Address: ....

Email Id: ....Signature.......................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of **SRF LIMITED** to be held on Tuesday, August 7, 2018 at 11.00 a.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 and at any adjournment thereof in respect of such resolutions as are contained in Notice.

Signed this ______________________day of ___________________2018

Affix ₹ 1/- Revenue Stamp

Signature of Shareholder............................. Signature of Proxy holders (s) ....

Notes:

1. A Proxy in order to be effective must reach the Registered Office of the Company not less than 48 hours before the scheduled time of the meeting
2. The member himself or his constituted attorney may sign the proxy
3. Where a proxy is appointed, the member should hand over the attached admission slip to the proxy
4. The Company reserves the right to ask for identification of the proxy
5. A proxy cannot speak at the meeting or vote on a show of hands.
6. Shareholder may vote either for or against each resolution.

We always find a better way

Registered Office
Unit No. 236 & 237, 2nd Floor,
DLF Galleria, Mayur Place,
Noida Link Road, Mayur Vihar Phase - I Extn.,
Delhi, India - 110 091
Tel.: +91-11- 49482870

Corporate Office
Block - C, Sector - 45,
Gurugram, Haryana, India - 122 003
Tel.: +91- 124 - 4354400

www.srf.com

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WYATT Prism COMMUNICATIONS (info@wyatt.co.in)