



October 12, 2020

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block – G
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

BSE Limited

Corporate Relationship Deptt.
PJ Towers, 25th Floor, Dalal Street,
Mumbai – 400 001

Stock Code: 503806

Stock code: SRF

Re: Qualified institutions placement of equity shares of face value of ₹ 10 each (the “Equity Shares”) by SRF Limited (“Company”) to qualified institutional buyers (the “QIP”) under the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Companies Act, 2013 (including the rules made thereunder)

Sub: Outcome of the meeting of the QIP Committee

Dear Sir,

We wish to inform you that pursuant to the approval of the board of directors of the Company at its meeting held on August 31, 2020 and approval of the shareholders of the Company by way of a special resolution passed through postal ballot on October 8, 2020, the QIP Committee of the Company, in its meeting held today has *inter alia* considered and approved the interim condensed consolidated financial statements for the three months ended June 30, 2020 (the “**Interim Condensed Consolidated Financial Statements**”). The Interim Condensed Consolidated Financial Statements along with the limited review report by statutory auditors is annexed herewith and has been made available on the website of the Company.

The meeting of the QIP Committee commenced at 5.30 p.m. and concluded at 6.40 p.m. A certified copy of the resolution passed by the QIP Committee authorizing the approval of the Interim Condensed Consolidated Financial Statements is enclosed for your information and records.

We request you to take the above on record pursuant to compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Thank you,

For **SRF Limited**

Rajat Lakhanpal
VP (Corporate Compliance) & Company Secretary

Encl :A/a

SRF LIMITED
Block - C, Sector - 45
Gurugram - 122 003
Haryana, India
Tel: +91-124-4354400
Fax: +91-124-4354500
Email: info@srf.com
Website: www.srf.com

Regd. Office:
Unit No. 236 and 237, 2nd Floor,
DLF Galleria, Mayur Place
Noida Link Road
Mayur Vihar Phase I Extension
Delhi -110 091

BSR & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurugram – 122 002, India

Telephone: +91 124 719 1000
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Report on Review of interim condensed consolidated financial statements

To
The Board of Directors of **SRF Limited**

1. We have reviewed the accompanying interim condensed consolidated financial statements of SRF Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries, together referred to as “the Group”), which comprise the interim condensed consolidated Balance Sheet as at 30 June 2020, the interim condensed consolidated statement of profit and loss (including other comprehensive income), interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months then ended, and notes to the interim condensed consolidated financial statements (hereinafter referred to as “the interim condensed consolidated financial statements”).
2. Management is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with Indian Accounting Standard (Ind AS) 34, ‘Interim Financial Reporting’, prescribed under Section 133 of the Companies Act, 2013. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and based on the consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with requirements of Ind AS 34 “Interim Financial Reporting” .
5. We did not review the interim financial information of three subsidiaries included in the interim condensed consolidated financial statements, whose interim financial information reflects total assets of Rs 2,383.98 crores (before consolidation adjustments) as at 30 June 2020 and total revenues of Rs 256.74 crores (before consolidation adjustments), total net profit after tax of Rs 69.99 crores (before consolidation adjustments) and total comprehensive income of Rs 69.99 crores (before consolidation



adjustments), for the three months ended 30 June 2020, respectively, and cash inflows (net) of Rs 5.87 crores for the three months ended 30 June 2020, as considered in the interim condensed consolidated financial statements. The above interim financial information has been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the interim condensed consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

All of these subsidiaries are located outside India whose financial information has been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted review standards applicable in their respective countries. The Company's management has converted the financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

Our conclusion on the interim condensed consolidated financial statements is not modified in respect of the above matter.

6. The interim condensed consolidated financial statements include the interim financial information of three subsidiaries which have not been reviewed, whose interim financial information reflect total assets of Rs 8.97 crores as at 30 June 2020 and total revenue of Rs. 0.39 crores (before consolidation adjustments), total net profit after tax of Rs. 0.12 crores (before consolidation adjustments) and total comprehensive income of Rs 0.12 crores (before consolidation adjustments) for the three months ended 30 June 2020, and cash outflows (net) of Rs. 0.25 crores for the three months ended 30 June 2020, as considered in the interim condensed consolidated financial statements. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

Our conclusion on the interim condensed consolidated financial statements is not modified in respect of the above matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

Kaushal Kishore

Partner

Membership Number: 090075

UDIN: 20090075AAAAAY8544

Place: Delhi

Date: 12 October 2020

SRF LIMITED
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Particulars	Note No.	As at June 30, 2020	As at March 31, 2020
ASSETS			
1 Non-current assets			
Property, plant and equipment	4	6,333.96	6,022.93
Right-of-use assets	14	223.15	227.58
Capital work-in-progress		1,236.98	1,393.29
Goodwill		0.62	0.62
Other intangible assets	5	114.65	116.46
Financial assets			
(i) Investments		4.16	4.16
(ii) Loans		43.26	43.87
(iii) Other financial assets		19.82	15.86
Deferred tax assets		16.72	14.26
Non current tax assets (net)		34.91	35.03
Other non-current assets		96.28	96.50
Total non-current assets		8,124.51	7,970.56
2 Current assets			
Inventories		1,123.63	1,201.23
Financial assets			
(i) Investments		427.66	198.50
(ii) Trade receivables		1,049.75	891.07
(iii) Cash and cash equivalents		322.65	116.44
(iv) Bank balances other than above		88.87	9.03
(v) Loans		14.81	25.17
(vi) Other financial assets		143.00	170.38
Current tax assets (net)		1.78	1.74
Other current assets		287.12	280.80
Total current assets		3,459.27	2,894.36
Assets classified as held for sale	13		11.84
TOTAL ASSETS		11,583.78	10,876.76

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SRF LIMITED
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Particulars	Note No.	As at June 30, 2020	As at March 31, 2020
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital		58.50	58.50
Other equity		5,093.35	4,874.82
Total equity		5,151.85	4,933.32
Liabilities			
2 Non-current liabilities			
Financial liabilities			
(i) Borrowings	6	2,988.18	2,311.63
(ii) Lease liabilities		70.77	73.98
(iii) Other financial liabilities		2.33	22.87
Provisions		40.89	37.53
Deferred tax liabilities (net)		199.04	175.50
Other non-current liabilities		14.20	14.00
Total non-current liabilities		3,315.41	2,635.51
3 Current liabilities			
Financial liabilities			
(i) Borrowings	6	1,186.46	955.44
(ii) Lease liabilities		14.97	13.71
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises		27.19	30.36
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		850.07	1,081.33
(iv) Other financial liabilities		924.10	1,124.54
Other current liabilities		83.39	86.18
Provisions		6.85	6.62
Current tax liabilities (Net)		23.49	9.75
Total current liabilities		3,116.52	3,307.93
Total liabilities		6,431.93	5,943.44
TOTAL EQUITY AND LIABILITIES		11,583.78	10,876.76

See accompanying notes to the interim condensed consolidated 1 to 16 financial statements

As per our report of even date attached

For B S R & Co. I LLP
Chartered Accountants
ICAI Firm registration no: 101248W/W-100022

Kaushal Kishore
Partner
Membership No: 090075
Place : Delhi
Date : October 12, 2020

For and on behalf of the Board of Directors

Ashish Bharat Ram
Managing Director
DIN -00671567
Place : Gurugram

Kartik Bharat Ram
Dy.Managing Director
DIN -00008557
Place : Delhi

Rajat Lakhpal
Vice President
(Corporate Compliance)
and Company Secretary

Place : Gurugram

Rahul Jain

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SRF LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
 for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

Particulars	Three months ended June 30, 2020	Three months ended June 30, 2019
I Revenue from operations	1,545.15	1,763.29
II Other income	10.10	30.24
III Total Income (I + II)	1,555.25	1,793.53
IV Expenses		
Cost of materials consumed	682.07	948.08
Purchases of stock-in-trade	12.10	16.86
Changes in inventories of finished goods, work-in-progress and stock-in-trade	47.35	(11.64)
Employee benefits expense	137.49	129.02
Finance costs	43.16	51.51
Depreciation and amortisation expense	104.02	92.46
Other expenses	302.89	336.29
Total expenses (IV)	1,329.08	1,562.58
V Profit before tax from continuing operations (III - IV)	226.17	230.95
VI Tax expense related to continuing operations		
Current tax ^	40.78	28.82
Deferred tax	-	(13.01)
- MAT credit entitlement	-	(8.52)
- Others #	-	39.80
Total tax expense related to continuing operations	49.30	55.61
^ including related to earlier years : Nil {Previous period : Credit of Rs. 11.71 crores}		
# including related to earlier years : Nil (Previous period : Charge of Rs. 4.45 crores)		
VII Profit for the period from continuing operations (V - VI)	176.87	175.34
VIII Profit before tax from discontinued operations (Refer to note 13)	0.25	9.92
IX Tax expense/ (credit) of discontinued operations	0.03	(3.96)
X Profit for the period from discontinued operations (VIII - IX)	0.22	13.88
XI Total Profit for the period (VII + X)	177.09	189.22

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*R. S. F. C. & Co.
Mumbai*



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SRF LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Particulars	Three months ended June 30, 2020	Three months ended June 30, 2019
XII Other comprehensive income		
A (i) Items that will not be reclassified to profit or loss		
- Remeasurements of the defined benefit plans	2.68	(5.39)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.94)	1.88
B (i) Items that will be reclassified to profit or loss		
- Exchange differences on translation of foreign operations	28.16	12.37
- Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	17.34	(9.33)
(ii) Income tax on items that will be reclassified to profit or loss	(6.06)	3.47
Total other comprehensive income for the period, net of taxes (A(i+ii)) + B(i+ii))	41.18	3.00
XIII Total comprehensive income for the period (XI + XII)	218.27	192.22

**Basic and diluted earning per equity share (not annualised) in Rs.
(Refer to note 10)**

From continuing operations	30.77	30.50
From discontinued operations	0.04	2.42
From continuing and discontinued operations	30.81	32.92

See accompanying notes to the interim condensed consolidated financial statements **1 to 16**

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
 ICAI Firm registration no: 101248W/V-100022

Kaushal Kishore
 Partner
 Membership No: 090075
 Place : Delhi
 Date : October 12, 2020

For and on behalf of the Board of Directors

Ashish Bharat Ram
 Managing Director
 DIN -00671567
 Place : Gurugram

Kartik Bharat Ram
 Dy. Managing Director
 DIN -00008557
 Place : Delhi

Rahul Jain
 President & CFO
 Place : Gurugram

Rajat Lakhpal
 Vice President (Corporate Compliance) and Company Secretary
 Place : Gurugram

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SRF LIMITED

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Particulars	Three months ended June 30, 2020	Three months ended June 30, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax		
- Continuing Operations	226.17	230.95
- Discontinued Operations	0.25	9.92
Adjustments for		
Finance costs		
Interest income	43.18	51.84
Net (gain) / loss on sale of property, plant and equipment	(1.93)	(11.25)
Net gain on financial assets measured at fair value through profit and loss	0.03	0.10
Credit impaired assets provided / written off	(6.78)	(2.02)
Amortisation of grant income	0.14	0.42
Depreciation and amortisation expense	(0.16)	(1.75)
Property, plant and equipment and inventory discarded / provided	104.02	94.52
Provision / liabilities no longer required written back	0.07	0.11
Net unrealised currency exchange fluctuations loss /(gain)	(0.05)	(0.20)
Employee share based payment expense	(3.89)	(21.30)
Employee share based payment expense	0.26	0.24
Adjustments for (increase) /decrease in operating assets :-		
Trade receivables	(164.52)	20.06
Inventories	82.06	12.23
Loans (current)	10.78	(19.95)
Loans (non-current)	0.61	(3.77)
Other assets (current)	22.71	(22.80)
Other assets (non-current)	(3.43)	(0.16)
Adjustments for increase / (decrease) in operating liabilities -		
Trade payables	(220.20)	(59.06)
Provisions	3.27	2.69
Other liabilities (non-current)	(0.33)	0.51
Other liabilities (current)	69.93	15.97
Cash generated from operations	162.19	297.30
Income taxes paid (net of refunds)	(21.93)	(23.38)
Net cash generated from operating activities	140.26	273.92
B CASH FLOW FROM INVESTING ACTIVITIES		
Net proceeds/ (purchases) of mutual funds		
Purchase of non-current investments	(222.38)	0.33
Interest received		
Decrease / (increase) in bank balances not considered as cash and cash equivalents	0.73	12.12
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(79.84)	0.75
Proceeds from disposal of property, plant and equipment	(195.48)	(272.93)
Net cash used in investing activities	0.16	0.82
	(496.81)	(262.96)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings (Non-current)		
Repayment of borrowings (Non-current)	750.00	156.60
Net proceeds / (repayment) from borrowings (Current)	(344.29)	(215.36)
Dividends on equity share capital paid	225.59	38.70
Payment towards lease liability	(0.39)	(0.14)
Finance costs paid	(3.65)	(3.67)
Net cash (used in) / generated from financing activities	(65.23)	(55.96)
	562.03	(79.83)

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SRF LIMITED

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
 for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

Particulars	Three months ended June 30, 2020	Three months ended June 30, 2019
D EFFECT OF EXCHANGE RATE CHANGES	0.73	0.49
Net movement in cash and cash equivalents	206.21	(68.38)
Cash and cash equivalents at the beginning of the year	116.44	189.55
Cash and cash equivalents at the end of the period	322.65	121.17

Notes:

The interim condensed consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 on "Statement of Cash Flows"

See accompanying notes to the interim condensed consolidated financial statements

1 to 16

As per our report of even date attached

For B S R & Co. LLP
 Chartered Accountants
 ICAI Firm registration no 01248W/W-100022

Kaushal Kishore
 Partner
 Membership No: 090075
 Place: Delhi
 Date: October 12, 2020

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For and on behalf of the Board of Directors

Ashish Bharat Ram
 Managing Director
 DIN -00671567
 Place: Gurugram


Kartik Bharat Ram
 Dy. Managing Director
 DIN -00008557
 Place: Delhi


Rajat Lakhpal
 Vice President (Corporate
 Compliance) and
 Company Secretary
 Place: Gurugram

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SRF LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the three months period ended June 30, 2020

(All amounts in Rs. Crores, unless otherwise stated)

(a) Equity share capital

	<u>Amount</u>
Balance as at March 31, 2019	58.50
Changes in equity share capital during the period	-
Balance as at June 30, 2019	58.50
Balance as at March 31, 2020	58.50
Changes in equity share capital during the period	-
Balance as at June 30, 2020	58.50

(b) Other Equity

	Reserves and surplus						Items of other comprehensive income				Total
	Capital reserve	General reserve	Capital redemption reserve	Debenture redemption reserve	Employee share based payment reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Effective portion of cash flow hedge		
Balance as at March 31, 2019	193.77	573.77	10.48	75.00	0.58	3,201.00	(4.00)	(4.22)	24.39	4,070.77	
Profit for the period	-	-	-	-	-	189.22	-	-	-	189.22	
Other comprehensive income for the period, net of income tax	-	-	-	-	-	(3.51)	12.37	-	(5.86)	3.00	
Total comprehensive income for the period	-	-	-	-	-	185.71	12.37	-	(5.86)	192.22	
Employee share based payments to employees	-	-	-	-	0.24	-	-	-	-	0.24	
Balance as at June 30, 2019	193.77	573.77	10.48	75.00	0.82	3,386.71	8.37	(4.22)	18.53	4,263.23	
Balance as at March 31, 2020	193.77	573.77	10.48	75.00	1.56	4,117.69	(14.67)	(4.22)	(78.56)	4,874.82	
Profit for the period	-	-	-	-	-	177.09	-	-	-	177.09	
Other comprehensive income for the year, net of income tax	-	-	-	-	1.74	28.16	-	-	11.28	41.18	
Total comprehensive income for the period	-	-	-	-	-	178.83	28.16	-	11.28	218.27	
Employee share based payments to employees	-	-	-	-	0.26	-	-	-	-	0.26	
Transfer from Debenture redemption reserve	-	75.00	-	(75.00)	-	-	-	-	-	-	
Balance as at June 30, 2020	193.77	648.77	10.48	-	1.82	4,296.52	13.49	(4.22)	(67.28)	5,093.35	

See accompanying notes to the interim condensed consolidated financial statements

1 to 16

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration no: 101248W/W-100022

Kaushal Kishore
Partner
Membership No: 090075
Place : Delhi
Date : October 12, 2020

For and on behalf of the Board of Directors

Ashish Bharat Ram
Managing Director
DIN -00671567
Place : Gurugram

Kartik Bharat Ram
Dy. Managing Director
DIN -00008557
Place : Delhi

Rajat Lakhpal
Vice President (Corporate Compliance) and Company Secretary
Place : Gurugram

Revi Jaiswal

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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

1 CORPORATE INFORMATION

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

The principal activities of the Company and its subsidiaries (together the Group) are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The Interim condensed consolidated financial statements were approved by the Board of directors on October 12, 2020

2 SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

These Interim Condensed Consolidated Financial Statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) 34, "Interim Financial Reporting" notified under section 133 of the Companies Act, 2013 (the 'Act') and rules thereunder.

The Group has followed the same accounting policies in preparation of Interim Condensed Consolidated financial statement as those followed in preparation of annual consolidated financial statements as at and for the year ended March 31, 2020. These Interim Condensed Consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended March 31, 2020.

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. All values are rounded to the nearest crores, except when otherwise indicated.

The interim condensed consolidated financial statements comprise the financial statements of the holding Company and its subsidiaries.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Necessary adjustments are made in the interim condensed consolidated financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies, if any.

All intra-company 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 interim condensed consolidated financial statements are: -

Name of subsidiary	Country of incorporation	Proportion of ownership as at June 30, 2020	Proportion of ownership as at March 31, 2020
SRF Holiday Home Limited	India	100%	100%
SRF Global BV	Netherlands	100%	100%
SRF Europe Kft(100% subsidiary of SRF Global BV)	Hungary	100%	100%
SRF Industries (Thailand) Limited(100% subsidiary of SRF Global BV)	Thailand	100%	100%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)	Republic of South Africa	100%	100%
SRF Employees Welfare Trust (Controlled Trust)	India	*	*

* By virtue of management control

The Group owns 22.60% (March 31, 2020 : 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% (March 31, 2020 : 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.

*Rajiv Patel
Managing Director*



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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

2.2 Fair value measurement

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

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

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

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

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3 Income tax expense for the period

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted average annual income tax rate expected for the full financial year and adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from the management's estimate of the effective tax rate for the annual financial statements.

2.4 Recent accounting pronouncements

Ministry of Corporate Affairs, vide notification dated 24 July 2020, has issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 to amend certain Ind AS's. The amendments are effective from annual periods commencing on or after April 1, 2020 as below:

- Practical expedient in Ind AS 116, Leases, relating to rent concessions occurring as a direct consequence of COVID-19 pandemic;
- Amendment to definition of "business" (Ind AS 103, Business Combination);
- Refined definition of "material" (Ind AS 1 Presentation of Financial Statements and Ind AS 8, Accounting Policies, Change in Accounting Estimate and Errors);
- Interest rate benchmark reform (Ind AS 107, Financial Instruments: Disclosures and Ind AS 109, Financial Instruments)

The above amendments do not have any significant impact on the financial statements.

3 Significant accounting judgements, estimates and assumptions

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

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant areas of estimation, uncertainty and critical judgments in applying accounting policies are the same as those described in last annual financial statements.

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4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Roads	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Cent								
Balance as at March 31, 2019	357.91	63.99	844.67	5,271.10	27.27	58.21	39.94	6,663.29
Additions/adjustments	26.16	11.68	44.50	910.77	2.70	8.90	9.55	1,014.06
Disposals/adjustments	(1.32)	(0.99)	(48.37)	(93.83)	(0.81)	(2.62)	(7.62)	(155.58)
Effect of foreign currency exchange differences	0.19	(0.46)	(4.52)	(6.14)	(0.13)	(0.19)	0.03	(11.22)
Balance as at March 31, 2020	382.94	74.22	836.28	6,082.10	29.01	64.30	41.70	7,510.55
Additions/adjustments	-	-	-	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	2.78	(0.15)	50.17	327.59	0.65	0.97	0.36	379.65
Balance as at June 30, 2020	385.72	74.52	6.16	(2.67)	(0.02)	(0.10)	(0.83)	(4.69)

Accumulated depreciation

Balance as at March 31, 2019	5.86	92.28	1,013.23	9.04	28.64	17.79	1,166.84	
- Continuing operations								
For the period ended June 30, 2019	-	-	-	-	-	-	-	
For the period July 01, 2019 to March 31, 2020	0.40	5.89	75.92	0.60	2.17	1.79	86.77	
- Discontinued operations	1.86	17.34	244.91	1.67	5.92	5.92	277.62	
For the period ended June 30, 2019	-	-	-	-	-	-	-	
For the period July 01, 2019 to March 31, 2020	-	-	-	-	-	-	-	
Disposals/adjustments	-	-	-	-	-	-	-	
Effect of foreign currency exchange differences	(0.36)	(0.95)	0.93	0.01	0.06	0.03	1.78	
Balance as at March 31, 2020	7.74	(0.20)	(14.49)	(28.46)	(0.19)	(0.56)	(0.01)	2.49
Depreciation expenses	-	-	-	-	-	-	-	-
- Continuing operations	-	-	-	-	-	-	-	-
For the period ended June 30, 2020	0.45	6.11	86.57	0.81	1.96	1.81	97.71	
Disposals/adjustments	-	-	(0.05)	-	(0.06)	(0.74)	(0.85)	
Effect of foreign currency exchange differences	0.07	0.79	7.47	0.10	0.18	0.02	8.63	
Balance as at June 30, 2020	8.26	109.42	1,404.26	12.04	37.23	21.90	1,593.11	

Particulars	Freehold Land	Roads	Buildings	Plant & equipment	Furniture and fixtures	Office equipment	Vehicles	Total
Net block								
Balance as at March 31, 2020	382.94	66.48	733.75	4,771.84	17.88	29.15	20.89	6,022.93
Balance as at June 30, 2020	385.72	66.26	782.27	5,034.44	17.73	28.18	19.36	6,333.99

Notes:

- (i) The group accounts for all capitalizations of property, plant and equipment through capital work in progress, and, therefore, the movement in capital work in progress is the difference between closing and opening balances of capital work in progress, as adjusted in addition to property, plant and equipment and intangible assets.
- (ii) Disposals/adjustments include property, plant and equipment of discontinued operations Refer to Note 13

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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

5 OTHER INTANGIBLE ASSETS

Particulars	Trade Marks/Brands	Technical Knowhow	Software	Others	Total
Cost					
Balance as at March 31, 2019	77.20	45.67	26.71	19.30	168.88
Additions / adjustments	0.33	10.51	4.39	0.09	15.32
Disposals/adjustments	-	(0.99)	(0.35)	-	(1.34)
Balance as at March 31, 2020	77.53	55.19	30.75	19.39	182.86
Additions / adjustments	-	-	0.07	-	0.07
Disposals/adjustments	-	-	-	-	-
Balance as at June 30, 2020	77.53	55.19	30.82	19.39	182.93
Accumulated amortisation					
Balance as at March 31, 2019	14.15	5.23	22.24	18.40	60.02
Amortisation expenses					
- Continuing operations					
For the period ended June 30, 2019	0.80	0.48	0.56	0.07	1.91
For the period July 01, 2019 to March 31, 2020	1.81	1.23	2.50	0.03	5.57
- Discontinued operations					
For the period ended June 30, 2019	-	-	0.02	-	0.02
For the period July 01, 2019 to March 31, 2020	-	-	-	-	-
Disposals/adjustments					
Balance as at March 31, 2020	16.76	5.95	25.19	18.50	(1.12)
Amortisation expenses					
- Continuing operations					
For the period ended June 30, 2020	0.61	0.42	0.84	0.01	1.88
Disposals/adjustments					
Balance as at June 30, 2020	17.37	6.37	26.03	18.51	68.28
Net block					
Balance as at March 31, 2020	60.77	49.24	5.56	0.89	116.46
Balance as at June 30, 2020	60.16	48.82	4.79	0.88	114.65

Notes:

Disposals/adjustments pertain to intangible assets of discontinued operations. Refer to Note 13

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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

6 BORROWINGS

	<u>As at June 30, 2020</u>	<u>As at March 31, 2020</u>
Non-current		
Secured		
Nil (March 31, 2020: 3000 Nos. 7.33%), listed, secured redeemable non-convertible debentures of Rs. 10 lakhs each	-	299.97
Term loans from banks	2,675.45	1,890.89
Term loans from others	241.71	281.59
Less: current maturities of long term borrowings	(550.12)	(779.75)
	2,367.04	1,692.70
Unsecured		
Term Loans from Banks	621.14	618.93
	621.14	618.93
Current		
Secured		
Cash credits from banks	11.25	10.00
Term loans from banks	207.17	256.84
	218.42	266.84
Unsecured		
Term loans from banks	968.04	688.60
	968.04	688.60
	1,186.46	955.44

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

The details of additional non current borrowings and repayments for the period ended June 30, 2020 are as follows:

Non-current		
Balance as at March 31, 2020 (including current maturity of long term borrowings)	3,091.38	
Additional Borrowings :		
Rupee term loan	750.00	
Repayments		
Rupee term loan	(4.11)	
External commercial borrowings (ECB)	(40.18)	
Secured redeemable non-convertible debentures	(300.00)	
Other movements (net)	41.21	
Balance as at June 30, 2020 (including current maturity of long term borrowings)	3,538.30	

The additional borrowings mentioned above consist of two term loans of Rs.500 crores and Rs 250 crores respectively. The term loan of Rs 500 crores is at interest rate of Repo rate plus spread of 250 basis point and repayable in 12 quarterly instalments of Rs 41.67 crores each, starting from March 2022. The term loan of Rs. 250 crores is at interest rate of Repo rate plus spread of 225 basis points and repayable in 16 quarterly instalments of Rs. 15.63 crores each, starting from July 2021.

The additional borrowings mentioned above are to be secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidiyondi (save and except moveable assets of Coated Fabrics Business) in the State of Tamil Nadu, Jhansi in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (save and except moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets) or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order, or delivery, howsoever and wheresoever, in the possession of the Borrower and either by way of substitution or addition.

SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

7 CONTINGENT LIABILITIES

	As at June 30, 2020	As at March 31, 2020
a. Claims against the Group not acknowledged as debts :		
Goods and Services tax, excise duty, custom duty and service tax *	22.89	21.33
Sales tax and entry tax **	19.08	19.08
Income Tax***	3.24	5.79
Others***	14.44	11.85
* Amount deposited against contingent liability Rs. 2.81 Crores (March 31, 2020 : Rs. 2.72 Crores)		
** Amount deposited against contingent liability Rs. 4.89 Crores (March 31, 2020 : Rs. 4.62 Crores)		
*** Amount deposited against contingent liability Rs. 0.49 Crores (March 31, 2020 : Rs. 0.49 Crore)		
**** Amount deposited against contingent liability Rs. 3.24 Crores (March 31, 2020 : Rs. 5.68 Crores)		
*** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Ltd. (MPPKVV Ltd) of Rs. 10.06 Crores (March 31, 2020 : Rs. 10.06) crores which is disputed by the Company		
All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Group.		
b The Company has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to Rs. 19.84 Crores (March 31, 2020 : Rs. 25.61 Crores) should not be levied. The Company has been advised that the contention of the respective departments is not tenable and hence the show cause notice may not be sustainable.		
During the year ended March 31, 2020, the Company has received a draft assessment order for assessment year 2016-17 in which adjustments amounting to Rs. 367.37 Crores have been proposed on account of transfer pricing adjustments etc., which are pending before Dispute Resolution Panel. Based on the transfer pricing study, facts of the case and applicable case laws, the Company is of the view that the proposed adjustments are not sustainable.		
c In February 2019, the Honorable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively and, therefore, has applied the judgement on a prospective basis.		
d SRF Industries (Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. Accordingly all the statutory dues as per applicable laws pertaining to employees were settled at the time of severance. However, two employees have filed a case before labour court for alleged unfair termination and short payments. The demand aggregates to Rs. 2.59 crores (THB 1.06 crores), which has been included in claims mentioned above.		
Subsequent to quarter ended June 30, 2020, additional claims have been filed by 144 employees aggregating to Rs. 17.52 crores (THB 7.16 crores). The management believes that payment of such claims is remote based on the external lawyer's opinion that the Company has complied with labour laws of Thailand and all the statutory dues of each of these complainants have already been paid and hence these complaints are liable to be dismissed.		
e The amounts shown above represent the best estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants, as the case may be, and, therefore, cannot be predicted accurately or relate to 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.		

8 CAPITAL AND OTHER COMMITMENTS

	As at June 30, 2020	As at March 31, 2020
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	447.20	362.95
(ii) The Group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for		

Rajiv Jain



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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

9 SEGMENT REPORTING

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

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

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

In addition to the significant accounting policies applicable to the business segments as set out in the annual financial statements for the year ended March 31, 2020, the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 13 with regard to information in relation to discontinued operations).

b) Segment assets and liabilities

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

A Information about operating business segments

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>
Segment revenue		
a) Technical textiles business (TTB)		
- External sales	138.88	381.56
- Inter-segment sales	1.56	0.51
Total	140.44	382.07
b) Chemicals business (CB)		
- External sales	705.22	603.21
- Inter-segment sales		
Total	705.22	603.21
c) Packaging films business (PFB)		
- External sales	677.35	701.30
- Inter-segment sales		
Total	677.35	0.35
d) Others		
- External sales	23.70	77.22
- Inter-segment sales		
Total	23.70	77.22
Total segment revenue	1,546.71	1,764.15
Less: Inter Segment revenue	1.56	0.86
Revenue from operations	1,545.15	1,763.29
Add: unallocable income	10.10	30.24
Total revenue	1,555.25	1,793.53

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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

Segment Profits

Profit before interest and tax from each segment

- a) Technical textiles business (TTB)
- b) Chemicals business (CB)
- c) Packaging films business (PFB)
- d) Others

Total segment results

Less: i) Interest and finance Charges

Less: ii) Other unallocable expenses net of income

Profit before tax from continuing operations

Profit before tax from discontinued operations

Total profit before tax

	Three months ended June 30, 2020	Three months ended June 30, 2019
a) Technical textiles business (TTB)	(14.02)	56.88
b) Chemicals business (CB)	88.56	78.67
c) Packaging films business (PFB)	220.74	145.57
d) Others	(0.28)	10.12
Total segment results	295.00	291.24
Less: i) Interest and finance Charges	43.16	51.51
Less: ii) Other unallocable expenses net of income	25.67	8.78
Profit before tax from continuing operations	226.17	230.95
Profit before tax from discontinued operations	0.25	9.92
Total profit before tax	226.42	240.87

Segment assets and liabilities

Segment Assets

- a) Technical textiles business (TTB)
- b) Chemicals business (CB)
- c) Packaging films business (PFB)
- d) Others

Total

Unallocable assets

Assets classified as held for sale

Total Assets

	As at June 30, 2020	As at March 31, 2020
a) Technical textiles business (TTB)	1,343.57	1,385.06
b) Chemicals business (CB)	5,297.13	5,247.50
c) Packaging films business (PFB)	3,838.05	3,582.77
d) Others	180.46	187.37
Total	10,659.21	10,402.70
Unallocable assets	924.57	462.22
Assets classified as held for sale	-	11.84
Total Assets	11,583.78	10,876.76

Segment Liabilities

- a) Technical textiles business (TTB)
- b) Chemicals business (CB)
- c) Packaging films business (PFB)
- d) Others

Total

Unallocable Liabilities

Total Liabilities

	159.63	303.71
b) Chemicals business (CB)	566.40	515.33
c) Packaging films business (PFB)	618.60	664.05
d) Others	22.54	43.68
Total	1,367.17	1,526.77
Unallocable Liabilities	5,064.76	4,416.67
Total Liabilities	6,431.93	5,943.44

B Information about geographical business segments

Revenue from operations

- India
- South Africa
- Germany
- USA
- Belgium
- Thailand
- Switzerland
- Others

	Three months ended June 30, 2020	Three months ended June 30, 2019
- India	579.88	978.39
- South Africa	116.86	91.96
- Germany	94.52	112.66
- USA	85.78	136.24
- Belgium	153.91	32.50
- Thailand	37.61	35.84
- Switzerland	161.34	72.15
- Others	315.25	303.55
Total	1,545.15	1,763.29

*Ram
Kumar Patel*



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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

Revenue from major products	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>
a) Technical Textiles Business (TTB)		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	125.50	326.82
Synthetic filament yarn including Industrial yarn /Twine	12.30	51.63
b) Chemicals Business (CB)		
Speciality chemicals	471.73	235.14
Fluorochemicals, Refrigerant Gases and allied products	159.06	259.87
Industrial chemicals	56.59	94.14
Waste/others	0.23	0.33
c) Packaging Films Business (PFB)		
Packaging Films	666.29	688.73
d) Others		
Coated fabric, laminated fabric and other ancillary activities	21.42	75.56
	1,513.12	1,732.22
Other operating income	32.03	31.07
Revenue from operations	1,545.15	1,763.29

Rajiv Patel

*R&G Ltd
Guru Nanak Dev
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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

10 EARNINGS PER SHARE (EPS)

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share:		
- From continuing operations	176.87	175.34
- From discontinued operations	0.22	13.88
- From continuing and discontinued operations	177.09	189.22
Weighted average number of equity shares of the group used in calculating basic earning per share and diluted earning per share (nos.)	57,480,500	57,480,500
Basic and diluted earnings per share (not annualised) in Rs.		
- From continuing operations	30.77	30.50
- From discontinued operations	0.04	2.42
- From continuing and discontinued operations	30.81	32.92

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Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

11 FINANCIAL INSTRUMENTS - FAIR VALUE

Comparison by class of the carrying amounts and fair value of the Group's financial instruments :

	Financial assets	Level of hierarchy	Notes	Carrying value as at			Fair value as at	
				June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020	June 30, 2020
Measured at amortised cost								
Trade receivables	a			1,049.75	891.07	1,049.75	891.07	891.07
Cash and cash equivalents	a			322.65	116.44	322.65	116.44	116.44
Bank balances other than above	a			88.87	9.03	88.87	9.03	9.03
Loans	a,b			58.07	69.04	58.07	69.04	69.04
Other financial assets	a,b			162.82	186.16	162.82	186.16	186.16
Measured at fair value through profit and loss								
Investments in mutual funds	2	d		427.66	198.50	427.66	198.50	198.50
Derivative instruments	2	d		-	0.08	-	-	0.08
Measured at fair value through other comprehensive income								
Investments in unquoted equity instruments	3	d		4.16	4.16	4.16	4.16	4.16



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Devi Jaiswal

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Financial liabilities	Level of hierarchy	Notes	Carrying value as at			Fair value as at March 31, 2020
			June 30, 2020	March 31, 2020	June 30, 2020	
Measured at amortised cost						
Borrowings	a,c		4,174.64	3,267.07	4,174.64	3,267.07
Trade payables	a		877.26	1,111.69	877.26	1,111.69
Other financial liabilities	a,c		881.09	1,076.78	881.09	1,076.78
Measured at fair value through profit and loss						
Derivative instruments	2	d	9.74	2.58	9.74	2.58
Measured at fair value through other comprehensive income						
Derivative instruments	2	d	35.60	68.04	35.60	68.04

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

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
 - (b) Fair valuation of non-current financial assets has been disclosed to be the same as carrying value as there is no significant difference between carrying value and fair value.
 - (c) Fair value of other long-term borrowings is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
 - (d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.
- There are no transfers between Level 1, Level 2 and Level 3 during the three months period ended June 30, 2020 and year ended March 31, 2020

Level 1:

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

Level 2:

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

Dinesh Patel

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Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Level 3:

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

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

- (i) Investments in mutual funds: Fair value is determined by reference to quotes from the institutions.
- (ii) Derivative contracts: The Group has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rates respectively. These financial exposures are managed in accordance with the Group's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers, banks and forward exchange rates at the balance sheet date.
- (iii) Unquoted equity investments: Fair value is determined based on the recoverable value as per agreement with the investee

Reconciliation of Level 3 fair value measurements

Unlisted equity instruments	0.11	4.05	4.16	<u>4.16</u>
As at March 31, 2019				
Purchases of investment	0.11			
As at March 31, 2020		4.05		
Additions/deletions			4.16	
As at June 30, 2020				<u>4.16</u>

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

Ravi Jose

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SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
(All amounts in Rs. Crores, unless otherwise stated)

12 RELATED PARTY TRANSACTIONS

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

Ultimate holding

ABR Family Trust

Holding Company

KAMA Holdings Limited

Fellow subsidiaries

KAMA Realty (Delhi) Limited

Shri Educare Limited

Key management personnel (KMP)

Arun Bharat Ram

Ashish Bharat Ram

Kartik Bharat Ram

Tejpreet S Chopra

Lakshman Lakshminarayan

Vellayan Subbiah

Meenakshi Gopinath

Pramod Gopaldas Gujarathi

Bharti Gupta Ramola

Yash Gupta *

Puneet Yadu Dalmia *

Post employment benefit plans trust

SRF Limited Officers Provident Fund Trust

SRF Employees Gratuity Trust

SRF Officers Gratuity Trust

Enterprises over which KMP have significant influence

SRF Foundation

Karm Farms LLP

Srishti Westend Greens Farms LLP

SRF Welfare Trust

* from April 1, 2019

Only with whom the Company had transactions during the period

Ram
Ramnath



SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

12.2 Transactions with related parties

	Three months ended June 30, 2020	Three months ended June 30, 2019
Purchase of property, plant and equipment and intangible assets from Holding company	-	0.15
	<u>-</u>	<u>0.15</u>
Sale of property, plant and equipment and intangible assets to Holding company	-	0.20
	<u>-</u>	<u>0.20</u>
Lease payments / rent paid		
Fellow subsidiaries	1.65	1.68
Key management personnel	0.07	0.07
Enterprises over which KMP have significant influence	0.07	0.07
	<u>1.79</u>	<u>1.82</u>
Reimbursement of expenses from Holding company	^	^
Fellow subsidiaries	0.01	0.01
	<u>0.01</u>	<u>0.01</u>
^ Absolute amount: Rs.2,636 (Previous period : 3,451)		
Deposits received back from		
Fellow subsidiaries	-	0.05
Enterprises over which KMP have significant influence	-	0.04
	<u>-</u>	<u>0.09</u>
Donations to		
Enterprises over which KMP have significant influence	1.00	-
	<u>1.00</u>	<u>-</u>
Contribution to post employment benefit plans		
Post employment benefit plans trust	9.49	12.47
	<u>9.49</u>	<u>12.47</u>
Employee benefit obligations transferred to Holding Company	-	0.03
	<u>-</u>	<u>0.03</u>
Employee benefit obligations transferred from Holding Company	-	0.09
	<u>-</u>	<u>0.09</u>

*Face
bankable*



PG

SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

12.3 Outstanding balances *

	<u>As at June 30, 2020</u>	<u>As at March 31, 2020</u>
Commission payable		
Key management personnel	2.38	10.22
Payable	<u>2.38</u>	<u>10.22</u>
Post employment benefit plans trust	10.69	14.37
	<u>10.69</u>	<u>14.37</u>
Receivable		
Fellow subsidiaries	0.01	-
	<u>0.01</u>	<u>-</u>
Security deposits outstanding		
Fellow subsidiaries	3.27	3.27
Key management personnel	0.13	0.13
Enterprises over which KMP have significant influence	0.14	0.14
	<u>3.54</u>	<u>3.54</u>

* Also refer note 14 with regard to lease liabilities under Ind AS -116

12.4 Key management personnel compensation

Short-term benefits
 Post-employment benefits
 Other long-term benefits

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>
	5.27	4.50
	0.32	0.44
	0.15	1.15
	<u>5.74</u>	<u>6.09</u>

*R.K.C.
Ranvir Singh*



PG

SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

13 Non - current assets held for sale and discontinued operations

A. Engineering Plastics Business

(a) Description

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

(b) Financial performance

Sl.no.	Particulars	Three months ended June 30, 2020		Three months ended June 30, 2019	
I	(a) Sale of Products		-	56.59	
	(b) Other operating revenues		-	0.18	
	(c) Revenue from operations {I(a)+I(b)}				
	(d) Other income		-	56.77	
	(e) Total income {I(c)+I(d)}		-	-	
	(f) Total expenses		-	56.77	
	(g) Profit before tax for the period from discontinued operations {I(e)-I(f)}		-	50.48	
	(h) Tax expense related to discontinued operations		-	6.29	
II	(i) Net profit after tax for the period from discontinued operations {I(g)-I(h)}		-	2.20	
			-	4.09	
(c) Revenue from major products		Three months ended June 30, 2020		Three months ended June 30, 2019	
	Nylon/ PBT/ PC compounding chips		-	56.59	

B. Technical Textiles Business of SRF Industries (Thailand) Limited

(a) Description

SRF Industries (Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. The business was reported as part of Technical Textiles Business as per requirements of Ind AS 108 – "Operating Segments" in the consolidated financial statements. The financial information of the said business has been classified as Discontinued Operations as per requirements of Ind AS 105 - "Non -current assets held for sale and discontinued operations". The particulars of said discontinued operations are as under:

*See
Rawat*



Pb

SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

(b) Financial performance

Sl.no.	Particulars	Three months ended June 30, 2020	Three months ended June 30, 2019
I	(a) Sale of Products	-	65.13
	(b) Other operating revenues	-	0.02
	(c) Total revenue from operations {I(a)+I(b)}	-	65.15
	(d) Other income	4.49	0.05
	(e) Total income {I(c)+I(d)}	4.49	65.20
	(f) Total expenses excluding point no.(g)	4.24	61.57
	(h) Profit / (loss) before tax from discontinued operations {I(e)-I(f)}	0.25	3.63
	(i) Tax expense / (gain) related to discontinued operations	0.03	(6.16)
II	(j) Net profit / (loss) after tax from discontinued operations{I(h)-I(i)}	0.22	9.79
(c)	Revenue from major products		
	Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	-	65.13
(d)	Assets classified as held for sale		
	Property plant and equipment	11.84	
		As at June 30, 2020	As at March 31, 2020

*Final
balance*



P6

SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

14 Leases

The Group leases various types of assets including land, buildings and Plant & Machinery. Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Particulars	Land	Buildings	Plant and equipment	Total
Balances as at April 1, 2019 ^	141.57	43.96	21.67	207.20
Additions/adjustments	13.89	1.02	28.96	43.87
Disposals/adjustments	(6.75)	-	-	(6.75)
Balances as at March 31, 2020	148.71	44.98	50.63	244.32
Additions/adjustments	-	-	-	-
Disposals/adjustments	-	-	-	-
Balances as at June 30, 2020	148.71	44.98	50.63	244.32
 Accumulated depreciation				
Balances as at April 1, 2019	-	-	-	-
Depreciation expenses				
For the period ended June 30, 2019	0.37	1.66	1.75	3.78
For the period July 01, 2019 to March 31, 2020	1.17	5.10	6.69	12.96
Disposals/adjustments				
Balances as at March 31, 2020	1.54	6.76	8.44	16.74
Depreciation expenses				
For the period ended June 30, 2020	0.42	1.78	2.23	4.43
Disposals/adjustments	-	-	-	-
Balances as at June 30, 2020	1.96	8.54	10.67	21.17
 Net block				
Balances as at March 31, 2020	147.17	38.22	42.19	227.58
Balances as at June 30, 2020	146.75	36.44	39.96	223.15

[^] Including reclassification amounting to Rs. 136.39 Crores from non-current / current assets to right-of-use assets for prepaid lease rentals.

Lease liabilities *

	As at June 30, 2020	As at March 31, 2020
Current	14.97	13.71
Non-current	70.77	73.98

* Includes liabilities pertaining to related parties as follows:

Fellow subsidiaries	32.99	33.98
Key management personnel (KMP)	0.06	0.12
Enterprises over which KMP have significant influence	0.05	0.11

Amounts recognised in Statement of Profit and Loss

	Three months ended June 30, 2020	Three months ended June 30, 2019
Interest on lease liabilities	1.69	1.35
Depreciation expense	4.43	3.78
Expenses relating to short-term leases and leases of low-value assets	2.81	3.52

*Rajiv
Balivale*

b

Rajiv

SRF LIMITED

Notes to the Interim Condensed consolidated financial statements for the three months period ended June 30, 2020
 (All amounts in Rs. Crores, unless otherwise stated)

	Three months ended June 30, 2020	Three months ended June 30, 2019
Amounts recognised in Cash Flow Statement		
Total cash outflow for leases	3.65	3.67
15 As per Government directives, the Company had suspended operations for some of its facilities w.e.f. March 25, 2020 in the wake of the COVID-19 pandemic. Operations were resumed in a phased manner, taking cognizance of the Governments' advisories around resuming manufacturing activities and after obtaining necessary permissions. Disruption in operations as a result of the aforesaid, has impacted business performance during the three months period ended June 30, 2020.		
Based on the current estimates, the Company believes that carrying amount of its assets will be recovered and COVID-19 is not likely to have any significant impact on its liquidity or ability to service its debt or other obligations. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements / information of the relevant periods.		
16 The Board at its meeting held on July 30, 2020 had approved interim dividend for 2020-21 of Rs. 5 per fully paid up equity share of Rs. 10 each absorbing an aggregate amount of Rs. 28.74 crores. The same has been paid subsequently.		

As per our report of even date attached

[Signature]
For B S R & Co. LLP
Chartered Accountants
 ICAI Firm registration no: 101248W/W/100022

Kaushal Kishore
 Partner
 Membership No: 090075
 Place : Delhi
 Date : October 12, 2020

For and on behalf of the Board of Directors

[Signature]
Ashish Bharat Ram
Managing Director
 DIN - 00671567
 Place : Gurugram

[Signature]
Kartik Bharat Ram
Deputy Managing Director
 DIN - 00008557
 Place : Delhi

[Signature]
Rahul Jain
President & CFO
 Place : Gurugram

[Signature]
Rajat Lakhpal
*Vice President (Corporate
 Compliance and company
 Secretary)*
 Place : Gurugram

[Signature]
Neeru Jata

[Signature]
Jyoti



Extract of Resolution passed by the QIP Committee of SRF Limited at its meeting held on 12.10.2020 through Video Conferencing

Approval of the Interim Condensed Consolidated Financial Statements

RESOLVED THAT the interim condensed consolidated financial statements for the three months ended June 30, 2020, of the Company and are hereby considered and approved, reflecting true and fair position of the Company's financial position."

"**RESOVED FURTHER THAT** Mr. Ashish Bharat Ram, Managing Director, Mr. Kartik Bharat Ram, Deputy Managing Director, Mr. Rahul Jain, President & CFO and Mr. Rajat Lakhanpal, Vice President (Corporate Compliance) & Company Secretary be and are hereby authorized to sign the Interim Condensed Consolidated Financial Statements for and on behalf of this committee, and to present the same to the auditors for their signatures thereon."

"**RESOLVED FURTHER THAT** the Interim Condensed Consolidated Financial Statements and the limited review report of the statutory auditors thereon be filed with the stock exchanges and uploaded on the website of the Company."

"**RESOLVED FURTHER THAT** Mr. Ashish Bharat Ram, Managing Director, Mr. Kartik Bharat Ram, Deputy Managing Director, Mr. Rahul Jain, President & CFO and Mr. Rajat Lakhanpal, Vice President (Corporate Compliance) & Company Secretary of the Company be and are hereby severally authorised to take all steps and to do all such acts, deeds, and things as may be required and to take all actions, desirable or expedient, for the purpose of giving effect to this resolution.

"**RESOLVED FURTHER THAT** certified copies of this resolution be provided to those concerned with the signature of a Director or Company Secretary as required."

**CERTIFIED TO BE TRUE COPY
FOR SRF LIMITED**

A handwritten signature in black ink, appearing to read "Rajat Lakhanpal".

RAJAT LAKHANPAL
VP (CORPORATE COMPLIANCE) & COMPANY SECRETARY
MEMBERSHIP NO. ACS-12725

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