

## Independent Auditor's Report

### To the Members of SRF Altech Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of SRF Altech Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended 31 March 2024, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income/ loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063



**Independent Auditor's Report (Continued)**

**SRF Altech Limited**

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

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and related safeguards.

**Independent Auditor's Report (Continued)**

**SRF Altech Limited**

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36(viii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 36(ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding,

**Independent Auditor's Report (Continued)**

**SRF Altech Limited**

whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
  - (i) The feature of audit trail (edit log) facility was not enabled throughout the year in the accounting softwares used for maintaining the books of account relating to general ledger and other related records, for certain tables relating to areas, such as, inventory, purchase and payables and certain master tables. Further, the feature of recording audit trail (edit log) facility was not enabled for the period from 1 April 2023 to 11 April 2023 for certain tables relating to areas such as receivables, property, plant and equipment, intangible assets, sale and purchase invoices, journal entries etc.
  - (ii) The feature of audit trail (edit log) facility was not enabled throughout the year in the database layer of the software used for maintaining the books of account relating to payroll, to log any direct data changes. Further, the feature of audit trail (edit log) facility was enabled at the application layer, however, due to limitations in the system configuration, we are unable to comment whether the audit trail feature operated throughout the year.
  - (iii) In case of the edit logs generated by the accounting softwares, only an authorised privileged user had rights to make direct changes to the edit log. However, the feature of audit trail (edit log) facility for recording any such changes was not enabled throughout the year, and hence, we are unable to determine whether any direct changes to the edit log of audit trail were made during the year.

For the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across, subject to our comment in sub-paragraph (iii) above, any instance of the audit trail feature being tampered with.



**Independent Auditor's Report (Continued)**

**SRF Altech Limited**

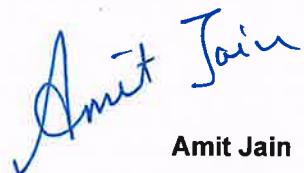
C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Amit Jain**

*Partner*

Membership No.: 516455

ICAI UDIN:24516455BKFRST9147

Place: Gurugram

Date: 06 May 2024

**Annexure A to the Independent Auditor's Report on the Financial Statements  
of SRF Altech Limited for the year ended 31 March 2024**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, all the property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts till date of the report has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to other parties, in respect of which the requisite information is as below. The Company has not granted loans to companies, firms or limited liability partnership.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity as below:

**Annexure A to the Independent Auditor's Report on the Financial Statements  
of SRF Altech Limited for the year ended 31 March 2024 (Continued)**

Particulars	Loans (Rs. in lacs)
Aggregate amount during the year	
Others (employees)	23.99
Balance outstanding as at balance sheet date	
Others (employees)	31.07

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans provided during the year are, *prima facie*, not prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not made investments, provided guarantees, given security or granted advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it provided guarantee or security.



**Annexure A to the Independent Auditor's Report on the Financial Statements  
of SRF Altech Limited for the year ended 31 March 2024 (Continued)**

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.  
According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.  
According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.  
(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.  
(d) According to the information and explanations given to us and based on our examination of the financial statements of the Company, the Company has raised a long term loan from a bank. Though the loan from the bank has been accounted for as short term due to certain terms of the agreement (refer note 19 to the financial statements), it has been raised on a long term basis. As per the terms of the agreement, this loan was to be utilised for capital purposes, which has been so utilised. Considering the above, we report that the funds considered as short term amounting to Rs. 15,000.00 lakhs, as explained above, have been utilized for long term purposes.  
(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the period ended 31 March 2024. Accordingly, clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

**Annexure A to the Independent Auditor's Report on the Financial Statements  
of SRF Altech Limited for the year ended 31 March 2024 (Continued)**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or, on the Company has been noticed or reported during the course of the audit.
  - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has incurred cash losses of Rs. 1,448.45 lakhs in the current financial year and Rs 408.71 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to

**B S R & Co. LLP**

**Annexure A to the Independent Auditor's Report on the Financial Statements  
of SRF Altech Limited for the year ended 31 March 2024 (Continued)**

the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Amit Jain**

*Partner*

Place: Gurugram

Membership No.: 516455

Date: 06 May 2024

ICAI UDIN:24516455BKFRST9147

**Annexure B to the Independent Auditor's Report on the financial statements  
of SRF Altech Limited for the year ended 31 March 2024**

**Report on the internal financial controls with reference to the aforesaid financial  
statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

**Opinion**

We have audited the internal financial controls with reference to financial statements of SRF Altech Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



**Annexure B to the Independent Auditor's Report on the financial statements  
of SRF Altech Limited for the year ended 31 March 2024 (Continued)**

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with Reference to Financial Statements**

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Amit Jain

Partner

Place: Gurugram

Membership No.: 516455

Date: 06 May 2024

ICAI UDIN:24516455BKFRST9147

**SRF ALTECH LIMITED**

**BALANCE SHEET**

**As at March 31, 2024**

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

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
Property, plant and equipment	4	52,664.69	25.34
Right-of-use assets	10	2,804.92	2,833.82
Capital work-in-progress	4.1	20.81	16,114.97
Other intangible assets	5	59.22	-
Financial assets			
(i) Loans	6	17.02	9.51
(ii) Other financial assets	7	612.25	290.50
Deferred tax assets	9	409.91	70.94
Other non-current assets	8	463.80	7,951.59
<b>Total non-current assets</b>		<b>57,052.62</b>	<b>27,296.67</b>
<b>2 Current assets</b>			
Inventories	11	3,558.33	-
Financial assets			
(i) Trade receivables	12	214.81	-
(ii) Cash and cash equivalents	13	451.85	163.45
(iii) Loans	6	14.05	3.51
(iv) Other financial assets	7	101.97	12.43
Current tax assets (net)	15	2.43	22.79
Other current assets	8	5,651.36	1,002.79
<b>Total current assets</b>		<b>9,994.80</b>	<b>1,204.97</b>
<b>TOTAL ASSETS</b>		<b>67,047.42</b>	<b>28,501.64</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
Equity share capital	17	42,500.00	500.00
Other equity	18	(2,017.40)	(368.71)
<b>Total equity</b>		<b>40,482.60</b>	<b>131.29</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	10	104.02	104.04
Provisions	21	82.28	31.48
Other non-current liabilities	16	1,911.98	546.20
<b>Total non-current liabilities</b>		<b>2,098.28</b>	<b>681.72</b>



**SRF ALTECH LIMITED****BALANCE SHEET****As at March 31, 2024**

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

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>3 Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	20,999.76	26,496.03
(ii) Lease liabilities	10	0.01	-
(iii) Trade payables	20		
a) Total outstanding dues of micro enterprises and small enterprises		29.68	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		408.66	26.02
(iv) Other financial liabilities	14	2,999.80	1,138.81
Other current liabilities	16	23.15	25.43
Provisions	21	5.48	2.34
<b>Total current liabilities</b>		<b>24,466.54</b>	<b>27,688.63</b>
<b>Total Liabilities</b>		<b>26,564.82</b>	<b>28,370.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>67,047.42</b>	<b>28,501.64</b>

**Summary of material accounting policies**

2-3

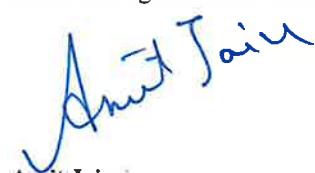
**See accompanying Notes to the financial statements**

4 to 36

As per our report of even date attached

**For B S R & Co. LLP***Chartered Accountants*

ICAI Firm registration no: 101248W/W-100022


**Amit Jain***Partner*

Membership No: 516455

Place : Gurugram

Date : May 06, 2024

**For and on behalf of the Board of Directors**

**Ashish Bharat Ram***Director*

DIN -00671567

Place : Gurugram

Date : May 06, 2024


**Prashant Mehra***Director*

DIN -09537060

Place : Gurugram

Date : May 06, 2024




**Prateek Sabharwal***Deputy General Manager & Chief Financial Officer*

Place : Gurugram

Date : May 06, 2024


**Arjun Arora***Manager & Company Secretary*

Place : Gurugram

Date : May 06, 2024



**SRF ALTECH LIMITED**

**STATEMENT OF PROFIT AND LOSS**  
**for the Year ended March 31, 2024**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

Particulars	Note No.	Year ended March 31, 2024	Period ended March 31, 2023
I Revenue from operations	22	1,195.36	-
II Other income	23	71.20	93.43
<b>III Total Income (I + II)</b>		<b>1,266.56</b>	<b>93.43</b>
<b>IV Expenses</b>			
Cost of materials consumed	24.1	3,034.72	-
Changes in inventories of finished goods and work-in-progress	24.2	(1,928.48)	-
Employee benefits expense	25	361.16	23.93
Finance costs	26	539.92	193.10
Depreciation and amortisation expense	27	519.92	29.60
Other expenses	28	707.69	285.11
<b>Total Expenses</b>		<b>3,234.93</b>	<b>531.74</b>
<b>V Profit/(Loss) before tax (III - IV)</b>		<b>(1,968.37)</b>	<b>(438.31)</b>
<b>VI Tax expense</b>	29		
Current tax			
Deferred tax			
<b>Total tax expense</b>		<b>(335.67)</b>	<b>(70.71)</b>
<b>VII Profit/(Loss) for the year/period (V - VI)</b>		<b>(1,632.70)</b>	<b>(367.60)</b>
<b>VIII Other comprehensive income/(loss)</b>			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans	33.2	(19.30)	(1.34)
Income tax on item (i) above	30	3.31	0.23
<b>Total other comprehensive income/(loss) for the year/period, net of taxes</b>		<b>(15.99)</b>	<b>(1.11)</b>
<b>IX Total comprehensive income/(loss) for the year/period (VII + VIII)</b>		<b>(1,648.69)</b>	<b>(368.71)</b>
<b>Basic and Diluted earning per equity share (in Rs.)</b>	34	(1.29)	(7.35)
<b>Summary of material accounting policies</b>	2-3		
<b>See accompanying Notes to the financial statements</b>		4 to 36	
As per our report of even date attached			
<i>For B S R &amp; Co. LLP Chartered Accountants ICAI Firm registration no: 101248W/W-100022</i>			
<i>Amit Jain</i>			
<b>Amit Jain</b> <i>Partner</i>			
Membership No: 516455 Place : Gurugram Date : May 06, 2024			
<b>For and on behalf of the Board of Directors</b>			
<i>Ashish Bharat Ram</i>			
<b>Ashish Bharat Ram</b> <i>Director</i>			
DIN -00671567 Place : Gurugram Date : May 06, 2024			
<i>Prashant Mehra</i>			
<b>Prashant Mehra</b> <i>Director</i>			
DIN -09537060 Place : Gurugram Date : May 06, 2024			
<i>Prateek Sabharwal</i>			
<b>Prateek Sabharwal</b> <i>Deputy General Manager &amp; Chief Financial Officer</i>			
Place : Gurugram Date : May 06, 2024			
<i>Arjun Agora</i>			
<b>Arjun Agora</b> <i>Manager &amp; Company Secretary</i>			
Place : Gurugram Date : May 06, 2024			

**SRF ALTECH LIMITED**

**STATEMENT OF CASH FLOWS**

for the Year ended March 31, 2024

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

Particulars	Year ended March 31, 2024	Period ended March 31, 2023
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,968.37)	(438.31)
Adjustments for:		
Finance costs	539.92	193.10
Provision for doubtful debts / advances	122.64	-
Interest income	(28.86)	(93.43)
Loss on financial instruments carried at FVTPL	4.10	-
Depreciation and amortisation expense	519.92	29.60
Loss on sales of property, plant and equipment	3.39	-
Gain from the sales of short term investments	(1.36)	-
Adjustments for (increase) /decrease in operating assets :-		
Trade receivables	(214.81)	-
Inventories	(3,558.33)	-
Loans (current)	(10.54)	(3.51)
Loans (non-current)	(7.51)	(9.51)
Other assets (current)	(4,738.10)	(1,012.35)
Adjustments for increase / (decrease) in operating liabilities :-		
Trade payables	412.32	-
Provisions	34.65	32.48
Other liabilities (current)	7.90	51.45
<b>Cash generated from operations</b>	<b>(8,883.04)</b>	<b>(1,250.48)</b>
Income taxes (paid)/ refund	21.30	(22.79)
<b>Net cash used in operating activities</b>	<b>(8,861.74)</b>	<b>(1,273.27)</b>
<b>B CASH FLOW FROMS INVESTING ACTIVITIES</b>		
Payment for purchase of short term Investments	(550.00)	-
Proceeds from sales of short term Investments	551.36	-
Interest received	27.92	90.56
Bank balances not considered as cash and cash equivalents	(321.75)	(290.50)
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(24,150.21)	(24,427.99)
Proceeds from disposal of property, plant and equipment	21.58	-
<b>Net cash used in investing activities</b>	<b>(24,421.10)</b>	<b>(24,627.93)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	42,000.00	500.00
Proceeds from external borrowings	15,500.00	21,000.00
Repayment of external borrowings	(21,500.24)	-
Proceeds from borrowing taken from Holding company	36,503.97	27,815.87
Repayment towards borrowing taken from Holding Company	(36,000.00)	(22,319.84)
Payment towards lease liability	(7.26)	(7.26)
Finance costs paid	(2,925.24)	(924.12)
<b>Net cash generated from financing activities</b>	<b>33,571.24</b>	<b>26,064.65</b>
<b>Net movement in cash and cash equivalents</b>	<b>288.40</b>	<b>163.45</b>
Cash and cash equivalents at the beginning of the year/period	163.45	-
<b>Cash and cash equivalents at the end of the year (Refer to note 13)</b>	<b>451.85</b>	<b>163.45</b>

**Notes:**

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

(ii) The following table discloses changes in liabilities arising from historical activities including both cash and non cash changes.



**SRF ALTECH LIMITED**

**STATEMENT OF CASH FLOWS**

for the Year ended March 31, 2024

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

Particulars	As at March 31, 2023	Cash flow from financing activities	Year ended March 31, 2024		Period ended March 31, 2023
			Finance cost*	Lease liability recognised	
Equity share capital	500.00	42,000.00	-	-	42,500.00
Current borrowings#	26,496.03	(5,496.27)	-	-	20,999.76
Interest accrued	114.98	(2,925.24)	2,855.70	-	45.43
Lease liability	104.04	(7.26)	7.26	-	104.03
<b>Total</b>	<b>27,215.05</b>	<b>33,571.24</b>	<b>2,862.96</b>	<b>-</b>	<b>63,649.23</b>

Particulars	As at March 15, 2022	Cash flow from financing activities	Non-cash changes		As at March 31, 2023
			Finance cost*	Lease liability recognised	
Equity share capital	-	500.00	-	-	500.00
Current borrowings#	-	26,496.03	-	-	26,496.03
Interest accrued	-	(924.12)	1,039.10	-	114.98
Lease liability	-	(7.26)	7.26	104.04	104.04
<b>Total</b>	<b>-</b>	<b>26,064.65</b>	<b>1,046.36</b>	<b>104.04</b>	<b>27,215.05</b>

\* including amount capitalised

# refer Note 19

**Summary of material accounting policies**

2-3

**See accompanying Notes to the financial statements**

4 to 36

As per our report of even date attached

*For B S R & Co. LLP*

*Chartered Accountants*

*ICAI Firm registration no: 101248W/W-100022*

Amit Jain  
Partner

Membership No: 516455

Place : Gurugram

Date : May 06, 2024



*For and on behalf of the Board of Directors*

Ashish Bharat Ram  
Director

DIN -00671567

Place : Gurugram

Date : May 06, 2024

Prabrant Mehra  
Director

DIN -09537060

Place : Gurugram

Date : May 06, 2024

Prateek Sabharwal  
Deputy General Manager &  
Chief Financial Officer

Place : Gurugram

Date : May 06, 2024

Arjun Arora  
Manager &  
Company Secretary

Place : Gurugram

Date : May 06, 2024



**SRF ALTECH LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**for the Year ended March 31, 2024**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

**(a) Equity share capital**

	<b>Amount</b>
<b>Balance as at March 15, 2022</b>	-
Changes in equity share capital during the period	500.00
<b>Balance as at March 31, 2023</b>	500.00
Changes in equity share capital during the year	42,000.00
<b>Balance as at March 31, 2024</b>	<b>42,500.00</b>

**(b) Other Equity**

	<b>Reserves and Surplus*</b>	<b>Items of other comprehensive income*</b>	<b>Total</b>
	<b>Retained earnings</b>	<b>Remeasurement of the defined benefits plans</b>	
<b>Balance as at March 15, 2022</b>	-	-	-
Loss for the period	(367.60)	-	(367.60)
Other comprehensive loss for the period, net of income tax	-	(1.11)	(1.11)
<b>Total comprehensive loss for the period</b>	<b>(367.60)</b>	<b>(1.11)</b>	<b>(368.71)</b>
<b>Balance as at March 31, 2023</b>	<b>(367.60)</b>	<b>(1.11)</b>	<b>(368.71)</b>
Loss for the year	(1,632.70)	-	(1,632.70)
Other comprehensive loss for the year, net of income tax	-	(15.99)	(15.99)
<b>Total comprehensive loss for the year</b>	<b>(1,632.70)</b>	<b>(15.99)</b>	<b>(1,648.69)</b>
<b>Balance as at March 31, 2024</b>	<b>(2,000.30)</b>	<b>(17.10)</b>	<b>(2,017.40)</b>

\* Refer note 18

Summary of material accounting policies

2-3

See accompanying Notes to the financial statements

4 to 36

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration no: 101248W/W-100022

  
Amit Jain  
Partner

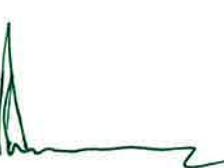
Membership No: 516455

Place : Gurugram

Date : May 06, 2024



For and on behalf of the Board of Directors

  
Ashish Bharat Ram  
Director

DIN -00671567

Place : Gurugram

Date : May 06, 2024

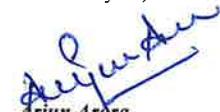
  
Prashant Mehra  
Director

DIN -09537060

Place : Gurugram

Date : May 06, 2024

  
Prateek Sabharwal  
Deputy General Manager &  
Chief Financial Officer  
Place : Gurugram  
Date : May 06, 2024

  
Arjun Arora  
Manager & Company  
Secretary

Place : Gurugram

Date : May 06, 2024



**SRF LIMITED****Notes to the financial statements for the year ended March 31, 2024**

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

**1 CORPORATE INFORMATION, MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS****A CORPORATE INFORMATION**

SRF ALTECH LIMITED ("the Company") is a public Company limited by shares, incorporated and domiciled and headquartered in India. It was incorporated on 15th March 2022 under the Companies Act 2013 and its registered office is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is SRF Limited.

The principal activity of the Company is manufacturing, purchase and sale of aluminium foils.

The financial statements are authorised for issue in accordance with a resolution of the directors on May 06, 2024.

**2 MATERIAL ACCOUNTING POLICIES****2.1 Basis of Preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provisions of the Act.

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

The balances of current and previous year are not comparable as the Company was incorporated on 15th March, 2022 and due to this previous period balances are for one year and fifteen days.

The principal accounting policies are set out below.

**2.2 Current versus non-current classification**

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / non current classification of assets and liabilities.

**2.3 Property, plant and equipment (PPE)**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets. Excess of net sale proceeds of items produced over the cost of testing, if any, are not recognised in the profit or loss but deducted from the directly attributable costs of property, plant, and equipment.

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment and depreciated accordingly.

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

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

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



**SRF LIMITED**

Notes to the financial statements for the year ended March 31, 2024

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

**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 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:

Name of the Assets	Management's estimate of useful life
Roads	40-50 years
Buildings (including temporary structures)	5-60 years
Plant and Machinery	2-40 years
Furniture and fixtures	3-20 years
Office equipments	3-20 years
Vehicles	4-5 years

Depreciation is calculated on a pro rata basis.

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

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

**2.5 Other 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.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably.

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

Software	3-5 years
Other intangibles	2.5-12 years

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.

**2.6 Impairment of tangible and intangible assets other than goodwill**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication 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 fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In such cases, the asset is considered impaired and is written down to its recoverable amount.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's 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.



**SRF LIMITED**

Notes to the financial statements for the year ended March 31, 2024

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

**2.7 Leasing**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

**Company as lessee**

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the basis of remaining lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**2.8 Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period less any interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset.



## **SRF LIMITED**

Notes to the financial statements for the year ended March 31, 2024

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

### **2.9 Foreign Currencies**

#### **Transaction and balances**

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

(i) Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rates prevailing on the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction. Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to exchange differences arising from cash flow hedges to the extent that the hedges are effective and those covered below.

### **2.10 Inventories**

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

(a) Raw materials, packing materials and stores and spares (including fuel) - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued at Net Realisable Value if the finished products in which they are to be incorporated are expected to be sold at a loss.

(b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads based on normal operating capacity.

(c) By products - At estimated realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

### **2.11 Provisions, contingent liabilities, contingent assets and onerous contracts**

#### **Provisions**

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

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

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

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

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### **Onerous contracts**

An onerous contract is a contract under which the unavoidable cost of meeting the obligation under the contract costs (i.e., the cost that the company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. Onerous contract had no impact on the financial statements of the Company as there is no onerous contract within the scope during the year.

### **2.12 Revenue recognition**

#### **Sale of goods**

Revenue from sale of products is recognised upon transfer of control of products to customers at the time of shipment to or receipt of goods by the customers.

Revenues towards satisfaction of a performance obligation are measured based on the transaction price (net of variable consideration), which is the consideration, net of tax collected from customers and remitted to government authorities such as goods and services tax and applicable discounts and allowances.

Advance from customers ("contract liability") is recognised when the Company has received consideration from the customer before it delivers the goods.



**SRF LIMITED****Notes to the financial statements for the year ended March 31, 2024**

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

**2.13 Taxation**

Income tax expense represents the sum of current tax and deferred tax.

**a) Current tax**

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**b) Deferred tax**

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e. in other comprehensive income or in equity.

**2.14 Government grants**

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

A government grant that becomes receivable as compensation for expenses or losses incurred is recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

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

Revenue from export benefits arising from duty drawback scheme, remission of duties and taxes on exported product scheme are recognized on export of goods in accordance with their respective underlying scheme at fair value of consideration received or receivable.

The benefit accrued under the above grants is included under the head "Revenue from Operations" under 'Export and other incentives'.

**2.15 Employee benefits****Short-term employee benefits**

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered, are measured at the undiscounted amount expected to be paid. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to contributions. The Company has no obligation, other than the contribution payable to such schemes.

**Defined benefit plans**

The Company has defined benefit gratuity plan and provident fund for certain category of employees administered through a recognised provident fund trust. Provision for gratuity and provident fund for certain category of employees administered through a recognised provident fund trust are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

**Other long-term employee benefits**

The Company also has other long-term employee benefits in the nature of compensated absences. Provision for compensated absences are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.



**SRF LIMITED****Notes to the financial statements for the year ended March 31, 2024**

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

**2.16 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.

**2.17 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.

**2.18 Financial instruments**

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

**Initial Recognition and measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**A) Financial Assets****Classification and Subsequent measurement**

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

- a) At amortised cost
- b) At fair value through profit and loss (FVTPL)
- c) At fair value through other comprehensive income (FVTOCI)- debt instrument or equity instrument.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.



**SRF LIMITED****Notes to the financial statements for the year ended March 31, 2024**

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

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Any gain or loss on derecognition is recognised in profit or loss.

When the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received.

**Impairment of financial assets**

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and contract assets with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable and contract assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information. The Company considers a financial asset to be in default when the asset is unlikely to be realised in full.

**Credit Impaired Financial Assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation

**Presentation of allowance for ECL in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Write Off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**B) Financial liabilities and Equity instruments****Initial recognition and measurement**

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities includes borrowings, trade and other payables including financial guarantee contracts and derivative financial instruments.

**Subsequent measurement****Borrowings**

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.19 Derivative financial instruments and hedge accounting****Initial recognition and subsequent measurement**

The Company uses derivative financial instruments (such as forward currency contracts) to hedge its foreign currency risks. The Company has opted for "Derivative Accounting" for all its derivative.

The Financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and financial liabilities when fair value is negative.

Any gains or losses arising from the change in the value of derivatives are taken directly to profit and loss.



**SRF LIMITED****Notes to the financial statements for the year ended March 31, 2024**

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

**2.20 Fair value measurement**

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

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

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

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

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

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

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

**2.21 Interest income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross amount of the financial asset or the amortised cost of the financial liability. The effective interest income is accrued on a time basis, by reference to the principal outstanding.

**2.22 Segment Reporting**

The Company has commenced its operation in current year and currently dealing in a single product. Therefore not required to disclose segment information as per Ind AS 108 on Operating Segments.

**2.23 Material Accounting Policy Information**

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

**A) Judgements**

- Classification and lease term determination of leasing arrangement – Note 2.7

**B) Assumptions and Estimation uncertainties**

- . Fair value measurement of derivative instruments – Note 2.20
- . Assessment of useful life of property, plant and equipment and intangible asset – Note 2.4 and Note 2.5
- . Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances – Note 2.13
- . Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 2.15
- . Assessment of impairment of financial assets and non-financial assets – Note 2.6 and Note 2.18



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

**4 PROPERTY, PLANT AND EQUIPMENT**

<b>Particulars</b>	<b>Roads</b>	<b>Buildings</b>	<b>Plant and Machinery</b>	<b>Furniture Fixtures</b>	<b>Office equipment</b>	<b>Vehicle</b>	<b>Total</b>
<b>Cost</b>							
<b>Balance as at March 15, 2022</b>	-	-	-	-	-	-	-
Additions	-	-	-	-	-	27.70	27.70
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	-	-	-	-	-	27.70	27.70
Additions	789.59	7,106.09	44,832.14	206.03	211.29	7.10	53,152.24
Disposals	-	-	(1.81)	(23.40)	-	-	(25.21)
<b>Balance as at March 31, 2024</b>	<b>789.59</b>	<b>7,106.09</b>	<b>44,830.33</b>	<b>182.63</b>	<b>238.99</b>	<b>7.10</b>	<b>53,154.73</b>
<b>Accumulated depreciation</b>							
<b>Balance as at March 15, 2022</b>	-	-	-	-	-	-	-
Depreciation expenses	-	-	-	-	-	2.36	2.36
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	-	-	-	-	-	2.36	2.36
Depreciation expenses	4.68	42.08	416.70	4.57	19.41	0.47	487.91
Disposals	-	-	(0.00)	(0.23)	-	-	(0.23)
<b>Balance as at March 31, 2024</b>	<b>4.68</b>	<b>42.08</b>	<b>416.70</b>	<b>4.34</b>	<b>21.77</b>	<b>0.47</b>	<b>490.04</b>
<b>Particulars</b>							
<b>Net block</b>							
<b>Balance as at March 31, 2023</b>	-	-	-	-	-	25.34	25.34
<b>Balance as at March 31, 2024</b>	<b>784.91</b>	<b>7,064.01</b>	<b>44,413.63</b>	<b>178.29</b>	<b>217.22</b>	<b>6.63</b>	<b>52,664.69</b>

**Notes:-**

- (i) Refer note 19.1 for information on property, plant and equipment pledged/hypothecated as security for borrowing by the Company.
- (ii) Pre-operative expenses was capitalised in case of property, plant and equipment for the year ended 31st March, 2024 of Rs 2,199.24 Lakhs ( 31st March, 2023 Rs Nil).
- (iii) Borrowing cost capitalised during the year Rs. 2,323.04 Lakhs (Previous year: Rs 1,033.91 Lakhs) with a capitalisation rate ranging from 7.75% to 8.12% (Previous year: 6.87% to 8.10%).



## SRF ALTECH LIMITED

Notes to the financial statements for the year ended March 31, 2024

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

### 4.1 CAPITAL WORK-IN-PROGRESS (CWIP)

	Amount
Opening Balance as on March 31, 2023	16,114.97
Add: Additions during the year	37,113.31
Less: Amount Capitalized during the year*	(53,207.47)
<b>Closing Balance as on March 31, 2024</b>	<b>20.81</b>

\* The Company accounts for all capitalisation of property, plant and equipment through Capital work-in -progress and therefore the movement in Capital work-in-progress is the difference between closing and opening balance of Capital Work in Progress as adjusted for additions in property, plant and equipment.

#### (i) Ageing of capital work-in-progress :

	Amount in CWIP for a period of		Total
	Less than 1 year	1 - 2 years	
<b>Capital Work-in-progress</b>			
As at March 31, 2024*	20.81	-	<b>20.81</b>
As at March 31, 2023	16,114.97	-	<b>16,114.97</b>

\*CWIP includes capital goods in transit of Rs Nil (Previous year Rs 2,827.63 Lacs)  
There are no overdue projects.

### 5 OTHER INTANGIBLE ASSETS

Particulars	Software	Total
<b>Cost</b>		
Balance as at March 15, 2022	-	-
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2023</b>	-	-
Additions	62.35	62.35
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>62.35</b>	<b>62.35</b>
 <b>Accumulated amortisation</b>		
Balance as at March 15, 2022	-	-
Amortisation expenses	-	-
<b>Balance as at March 31, 2023</b>	-	-
<b>Amortisation expenses</b>		
Amortisation expenses	3.13	3.13
<b>Balance as at March 31, 2024</b>	<b>3.13</b>	<b>3.13</b>
 <b>Balance as at March 31, 2023</b>	-	-
<b>Balance as at March 31, 2024</b>	<b>59.22</b>	<b>59.22</b>



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
 (All amounts in Rs. Lakhs, unless otherwise stated)

**6 LOANS**  
 (unsecured and considered good, unless otherwise stated)

	<u>As at March 31, 2024</u>	<u>As at March 31, 2023</u>
<b>Non- current</b>		
Loans to employees*	17.02	9.51
	<u>17.02</u>	<u>9.51</u>
<b>Current</b>		
Loans to employees*	14.05	3.51
	<u>14.05</u>	<u>3.51</u>

\* Including loan to Director (Refer Note No 32.2)

**7 OTHER FINANCIAL ASSETS**  
 (unsecured and considered good, unless otherwise stated)

	<u>As at March 31, 2024</u>	<u>As at March 31, 2023</u>
<b>Non Current</b>		
- Deposit accounts with maturity beyond twelve months*	612.25	290.50
	<u>612.25</u>	<u>290.50</u>
<b>Current</b>		
- Forward exchange contracts	-	9.38
- Security deposits	101.97	0.18
- Others	-	2.87
	<u>101.97</u>	<u>12.43</u>

**8 OTHER ASSETS**  
 (unsecured and considered good, unless otherwise stated)

	<u>As at March 31, 2024</u>	<u>As at March 31, 2023</u>
<b>Non-Current</b>		
Capital advances		
(a) Unsecured, considered good	463.80	7,951.59
(b) Doubtful	122.64	-
Less: Allowance for doubtful advances	(122.64)	-
<b>Total other non-current assets</b>	<u>463.80</u>	<u>7,951.59</u>
<b>Current</b>		
Prepaid expenses	15.85	-
Goods and Services tax recoverable	3,592.03	977.50
Interest receivable	25.90	-
Deposits with customs authorities	163.22	-
Advance to suppliers	1,853.25	0.45
Others*	1.11	24.84
<b>Total other current assets</b>	<u>5,651.36</u>	<u>1,002.79</u>

\* includes Rs. Nil (Previous year Rs 23.74 Lakhs) pertaining to related party (refer note no. 32.2)



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**

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

**9 DEFERRED TAX (NET)**

The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	957.67	70.94
Deferred tax liabilities	(547.76)	-
<b>Deferred tax assets, net</b>	<b>409.91</b>	<b>70.94</b>

The major components of deferred tax assets/(liabilities) arising on account of temporary differences are as follows:

As at March 31, 2024	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets</b>				
Expenses deductible in future years	47.31	(3.01)	-	44.30
Provision for doubtful debts / advances	-	21.04	-	21.04
Business Losses	23.40	864.69	-	888.09
Remeasurements of the defined benefit plans	0.23	-	3.31	3.54
Others	-	0.70	-	0.70
	<b>70.94</b>	<b>883.42</b>	<b>3.31</b>	<b>957.67</b>

**Deferred tax liabilities**

Property plant and equipment and intangible assets	-	(547.76)	-	(547.76)
	<b>-</b>	<b>(547.76)</b>	<b>-</b>	<b>(547.76)</b>
<b>Total</b>	<b>70.94</b>	<b>335.66</b>	<b>3.31</b>	<b>409.91</b>

As at March 31, 2023	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets</b>				
Expenses deductible in future years	-	47.31	-	47.31
Business Losses	-	23.40	-	23.40
Remeasurements of the defined benefit plans	-	-	0.23	0.23
	<b>-</b>	<b>70.71</b>	<b>0.23</b>	<b>70.94</b>
<b>Total</b>	<b>-</b>	<b>70.71</b>	<b>0.23</b>	<b>70.94</b>



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**

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

**10 Right-of-use assets**

The company leases land. Information about lease for which the company is a lessee is presented below.

<b>Right-of-use assets</b>	<b>Land</b>	<b>Total</b>
<b>Cost</b>		
<b>Balance as at March 15, 2022</b>		
Additions	2,861.06	2,861.06
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>2,861.06</b>	<b>2,861.06</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>2,861.06</b>	<b>2,861.06</b>
<b>Accumulated depreciation</b>		
<b>Balance as at March 15, 2022</b>		
Depreciation expenses	27.24	27.24
Disposals	-	-
<b>Balances as at March 31, 2023</b>	<b>27.24</b>	<b>27.24</b>
Depreciation expenses	28.90	28.90
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>56.14</b>	<b>56.14</b>
<b>Net block</b>		
<b>Balances as at March 31, 2024</b>	<b>2,804.92</b>	<b>2,804.92</b>
<b>Balances as at March 31, 2023</b>	<b>2,833.82</b>	<b>2,833.82</b>
<b>Lease liabilities included in the Balance Sheet</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Current	0.01	-
Non-current	104.02	104.04
The average incremental borrowing rate applied to lease liabilities during the year 7.50% (Previous year: 7.50%)		
<b>Amounts recognised in Statement of Profit and Loss</b>	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
Interest on lease liabilities	7.26	7.26
Depreciation expense	28.90	27.24
	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
<b>Amounts recognised in Statement of Cash Flow</b>		
Total cash outflow for leases	(7.26)	(7.26)



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
 (All amounts in Rs. Lakhs, unless otherwise stated)

**11 INVENTORIES**

(Valued at lower of cost and net realisable value)

	As at March 31, 2024	As at March 31, 2023
Raw material	1,254.33	-
Stock-in-Process	1,036.03	-
Finished goods	892.45	-
Stores and spares	375.52	-
	<b>3,558.33</b>	<b>-</b>
<b>Goods-in-transit, included above :</b>		
Raw materials in transit	908.30	-
Finished goods in transit	65.08	-
	<b>973.38</b>	<b>-</b>

**Note:-**

(i) The cost of inventories recognised as an expense includes Rs. 391.71 Lakhs (Previous year: Rs. Nil) in respect of write-down of inventory to net realisable value. The write down is included in "Changes in inventories of finished goods and work-in-progress".

(ii) The method of valuation of inventories has been stated in note 2.10.

**12 TRADE RECEIVABLES**

Current	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	<b>214.81</b>	-
	<b>214.81</b>	<b>-</b>

(i) Ageing of receivables :

Outstanding for following periods from due date of payment	As at March 31, 2024				
	Undisputed Trade Receivables-considered good	Undisputed Trade Receivables- credit impaired	Disputed Trade Receivables-considered good	Disputed Trade Receivables-credit impaired	Total
Not due	103.10	-	-	-	103.10
Less than 6 months	111.71	-	-	-	111.71
	<b>214.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214.81</b>

**13 CASH AND CASH EQUIVALENTS**

	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
-Current accounts	451.02	162.95
-Current accounts with bank (Foreign Currency)	0.33	-
Cash on hand	0.50	0.50
	<b>451.85</b>	<b>163.45</b>



## SRF ALTECH LIMITED

**Notes to the financial statements for the year ended March 31, 2024**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

### 14 OTHER FINANCIAL LIABILITIES

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Interest accrued but not due on borrowings	45.43	114.98
Payables to capital creditors:		
- Total outstanding dues of micro enterprises and small enterprises	598.28	60.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,337.71	963.22
Forward exchange contracts	4.10	-
Advance from customers*	14.28	-
	<b>2,999.80</b>	<b>1,138.81</b>

\*The Following table provides information about contract liabilities from contracts with customers.

#### Contract Liability

	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	-
Cash received, excluding the amount recognised as revenue during the year/period	14.28	-
Closing Balance	<b>14.28</b>	-

### 15 TAX ASSETS AND LIABILITIES

	As at March 31, 2024	As at March 31, 2023
<b>Current tax assets (Net)</b>		
Advance Income Tax	2.43	22.79

### 16 OTHER LIABILITIES

	As at March 31, 2024	As at March 31, 2023
<b>Non-current</b>		
Deferred government grants *	1,911.98	546.20
	<b>1,911.98</b>	<b>546.20</b>
<b>Current</b>		
Statutory liabilities	23.15	25.43
	<b>23.15</b>	<b>25.43</b>

\* Represents grants relating to property, plant and equipment related to duty saved on import of capital goods under the Exports Promotion Capital Goods (EPCG) scheme being amortised in profit and loss as and when the criteria of meeting export obligation as mentioned in EPCG license is fulfilled. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time.



**SRF ALTECH LIMITED**

Notes to the financial statements for the year ended March 31, 2024

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

**17 SHARE CAPITAL**

	As at March 31, 2024	As at March 31, 2023
<b>Authorised share capital:</b>		
100,00,00,000 Equity shares of Rs. 10 each (Previous Year 100,00,00,000)	1,00,000.00	1,00,000.00
	<u>1,00,000.00</u>	<u>1,00,000.00</u>
<b>Issued capital:</b>		
42,50,00,000 Equity Shares of Rs. 10 each (Previous Year 50,00,000 equity shares of Rs 10 each)	42,500.00	500.00
	<u>42,500.00</u>	<u>500.00</u>
<b>Subscribed capital:</b>		
42,50,00,000 Equity Shares of Rs. 10 each fully paid up ( Previous Year 50,00,000 Equity Shares)	42,500.00	500.00
	<u>42,500.00</u>	<u>500.00</u>

**17.1 Fully paid equity shares**

	Number of shares	Amount
<b>Balance at March 15, 2022</b>		
Add : Movement during the period	50,00,000	500.00
<b>Balance at March 31, 2023</b>	<u>50,00,000</u>	<u>500.00</u>
Add : Movement during the year	42,00,00,000	42,00,00.00
<b>Balance at March 31, 2024</b>	<u>42,50,00,000</u>	<u>42,500.00</u>

**Terms/ rights attached to equity shares :**

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

**17.2 Details of equity shares held by the holding Company**

	Number of fully paid ordinary shares
<b>As at March 31, 2024</b>	42,49,99,993
SRF Limited, the Holding Company	42,49,99,993
<b>As at March 31, 2023</b>	49,99,993
SRF Limited, the Holding Company	49,99,993

**17.3 Details of equity shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Fully paid equity shares</b>				
SRF Limited	42,49,99,993	99.99%	49,99,993	99.99%

**17.4 Details of equity shares held by Promoters**

Name of Promoter	Number of fully paid equity shares held	% holding in that class of shares	% change during the year/period
<b>As at March 31, 2024</b>			
SRF Limited	42,49,99,993	99.99%	8400%
<b>As at March 31, 2023</b>			
SRF Limited	49,99,993	99.99%	100%

\* Also refer note 17.1 above



## SRF ALTECH LIMITED

### Notes to the financial statements for the year ended March 31, 2024 (All amounts in Rs. Lakhs, unless otherwise stated)

#### 18 OTHER EQUITY

	As at March 31, 2024	As at March 31, 2023
Retained earnings	(2,017.40)	(368.71)
	<u><u>(2,017.40)</u></u>	<u><u>(368.71)</u></u>

##### 18.1 Retained earnings

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of the year/period	(368.71)	-
Loss for the year/period	(1,632.70)	(367.60)
Other comprehensive income arising from re-measurement of defined benefit obligation (Refer note 33)	(15.99)	(1.11)
Balance at end of year/period	<u><u>(2,017.40)</u></u>	<u><u>(368.71)</u></u>

#### 19 BORROWINGS

	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
<b>Secured</b>		
Term Loans from banks (refer note (i) and (ii) below)	14,999.76	21,000.00
	<u><u>14,999.76</u></u>	<u><u>21,000.00</u></u>
<b>Unsecured</b>		
Loan from related parties (refer note 32.2)	6,000.00	5,496.03
	<u><u>6,000.00</u></u>	<u><u>5,496.03</u></u>
	<u><u>20,999.76</u></u>	<u><u>26,496.03</u></u>

- i Long Term loan taken from bank which has been classified as current due to certain terms/conditions specified in agreement with the bank allowing pre closure of the loan at the option of company/banker.
- ii Term loan taken from bank of Rs. 14,999.76 Lakhs is repayable in 18 quarterly instalments starting from June 2024. (Previous year Rs 21,000 Lakhs)
- iii The interest rate for the loan taken during the period ranges from 7.48% to 8.12% per annum. (Previous year 6.00% to 8.04% per annum)
- iv There have been no defaults in repayment of interest on borrowings from banks and related parties during the reporting periods.

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

Details of Loan	As at March 31, 2024	As at March 31, 2023
(i) Term loan from Banks	14,999.76	21,000.00

Term Loan is secured by first pari-passu charge over all movable fixed assets, present and future.



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**

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

**20 TRADE PAYABLES**

	As at March 31, 2024	As at March 31, 2023
a) Total outstanding dues of micro enterprises and small enterprises	29.68	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	408.66	26.02
	<b>438.34</b>	<b>26.02</b>

(ii) Ageing of Trade payables :

Outstanding for following periods from due date of payment	As at March 31, 2024				Total
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	
Not due	29.68	48.37	-	-	78.05
Less than one year	-	139.10	-	-	139.10
1-2 Years	-	-	-	-	-
2-3 Years	-	-	-	-	-
More than 3 years	-	-	-	-	-
Unbilled dues	-	221.19	-	-	221.19
	<b>29.68</b>	<b>408.66</b>	<b>-</b>	<b>-</b>	<b>438.34</b>

Outstanding for following periods from due date of payment	As at March 31, 2023				Total
	Dues of micro enterprises and small enterprises	Dues of creditors other than micro enterprises and small enterprises	Disputed dues of micro enterprises and small enterprises	Disputed dues of creditors other than micro enterprises and small enterprises	
Not due	-	15.06	-	-	15.06
Less than one year	-	-	-	-	-
1-2 Years	-	-	-	-	-
2-3 Years	-	-	-	-	-
More than 3 years	-	-	-	-	-
Unbilled dues	-	10.96	-	-	10.96
	<b>-</b>	<b>26.02</b>	<b>-</b>	<b>-</b>	<b>26.02</b>



## 20.1 Total outstanding dues of micro enterprises and small enterprises

Trade Payables include the following dues to micro and small enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) to the extent such parties have been identified from the available information.

	As at March 31, 2024	As at March 31, 2023
Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year	627.96	60.61
- Principal amount *	-	-
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year	-	-
- Principal amount	-	-
- Interest actually paid under section 16 of MSMED /settled	-	-
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
- Interest accrued during the year	-	-
- Interest remaining unpaid as at the end of the year	-	-
Interest remaining due and payable even in the succeeding years, until such date when the interest dues are actually paid, for the purpose of disallowance of a deductible expenditure	-	-

\* including payable to Micro, Small and Medium Enterprises included in other financial liabilities. (Refer note no 14)

## 21 PROVISIONS

	As at March 31, 2024	As at March 31, 2023
<b>Non-Current</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absence (Refer note 33)	33.11	14.82
Provision for gratuity (Refer note 33)	49.17	16.66
	<b>82.28</b>	<b>31.48</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Provision for compensated absence (Refer note 33)	3.03	1.33
Provision for gratuity (Refer note 33)	2.45	1.01
	<b>5.48</b>	<b>2.34</b>

## 22 REVENUE FROM OPERATIONS

	Year ended March 31, 2024	Period ended March 31, 2023
<b>Revenue from contracts with customers</b>		
<b>Sale of products</b>		
Manufactured goods (including by-product)	1,195.36	-
	<b>1,195.36</b>	<b>-</b>
<b>Reconciliation of revenue from sale of products with the contracted price</b>		
Contracted price	1,193.76	-
Less: Discounts, allowances and claims	1.60	-
	<b>1,195.36</b>	<b>-</b>

## 23 OTHER INCOME

	Year ended March 31, 2024	Period ended March 31, 2023
<b>Interest Income</b>		
- on loans and deposits	24.26	93.43
- on others	4.60	-
Net foreign currency exchange fluctuation gains	40.98	-
Profit from sale of current investment	1.36	-
	<b>71.20</b>	<b>93.43</b>



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
 (All amounts in Rs. Lakhs, unless otherwise stated)

**24.1 COST OF MATERIALS CONSUMED**

	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
Opening stock of raw materials	-	-
Add: Purchases of raw materials*	3,380.75	-
	<hr/>	<hr/>
Less: Closing stock of raw materials	3,380.75	-
<b>Cost of materials consumed</b>	<b>346.03</b>	-
	<hr/>	<hr/>
	<b>3,034.72</b>	-
	<hr/>	<hr/>

\*Excluding NRV impact of inventory produced during trial run and capitalised in CWIP for Rs. 410.33 Lakhs (Previous year: Rs. Nil)

**24.2 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**

	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
<b>Inventories at the end of the year/period:</b>		
Stock-in-Process	1,036.03	-
Finished goods	892.45	-
	<hr/>	<hr/>
<b>Net (increase) / decrease</b>	<b>(1,928.48)</b>	-
	<hr/>	<hr/>

**25 EMPLOYEE BENEFITS EXPENSES**

	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
Salaries and wages, including bonus	286.70	23.19
Contribution to provident and other funds	31.54	0.74
Workmen and staff welfare expenses	42.92	-
	<hr/>	<hr/>
<b>361.16</b>	<b>23.93</b>	
	<hr/>	<hr/>

**26 FINANCE COST**

	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
Interest cost		
- Term loans and others	524.94	185.84
- Lease liabilities	7.26	7.26
Other borrowing costs	7.72	-
	<hr/>	<hr/>
<b>539.92</b>	<b>193.10</b>	
	<hr/>	<hr/>



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

**27 DEPRECIATION AND AMORTISATION EXPENSE**

	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
Depreciation of property, plant and equipment	487.89	2.36
Amortisation of intangible assets	3.13	-
Depreciation of Right of use assets	28.90	27.24
	<b>519.92</b>	<b>29.60</b>

**28 OTHER EXPENSES**

	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>
Labour production	20.96	-
Freight charges	23.01	-
Insurance	35.81	-
Loss on sales of property, plant and equipment	3.39	-
Power and fuel	163.13	-
Legal and professional charges	50.42	2.10
Provision for doubtful debts / advances	122.64	-
Repairs and maintenance		
- Plant and machinery	26.07	-
- Other maintenance	56.23	-
Stores and spares consumed	156.10	-
Travelling and conveyance	3.93	-
Auditor remuneration		
- Audit Fees	14.00	7.50
- For tax audit	4.50	-
- Reimbursement of out of pocket expenses	1.50	0.50
Loss on financial instruments carried at FVTPL	4.10	-
Rates and taxes	3.83	275.01
Miscellaneous expenses	18.07	-
	<b>707.69</b>	<b>285.11</b>



**SRF ALTECH LIMITED**

Notes to the financial statements for the year ended March 31, 2024  
 (All amounts in Rs. Lakhs, unless otherwise stated)

**29 INCOME TAX RECOGNISED IN PROFIT AND LOSS**

	Year ended March 31, 2024	Period ended March 31, 2023
Tax expense	(335.67)	(70.71)
<b>Current tax</b>		
In relation to current year/period	    	    
<b>Deferred tax</b>		
In relation to current year/period	(335.67)	(70.71)

The income tax expenses for the year can be reconciled to the accounting profits as follows:

	Year ended March 31, 2024	Period ended March 31, 2023
<b>Profit/(Loss) before tax</b>	(1,968.37)	(438.31)
Income Tax Expenses @ 17.16% (Previous year @ 17.16%)	(337.76)	(75.21)
Effect of expenses that are not deductible in determining taxable profits	2.09	4.50
<b>Income tax expenses recognised in profit and loss in relation to current year/period</b>	    	    

**Notes:**

- (i) The tax rate of 17.16% used for the reconciliation is the corporate tax rate payable by corporate entities in India on taxable profits under section 115BAB of Income tax act, 1961.

**30 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME**

	Year ended March 31, 2024	Period ended March 31, 2023
<b>Arising on income and expense recognised in other comprehensive income</b>		
Remeasurement of defined benefit obligation	3.31	0.23

**31 CAPITAL AND OTHER COMMITMENTS**

	As at March 31, 2024	As at March 31, 2023
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,580.92	21,243.30
(ii) Export obligation under export promotion capital goods (EPCG) scheme on import of capital items remaining outstanding	38,505.45	10,989.64



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
 (All amounts in Rs. Lakhs, unless otherwise stated)

**32 RELATED PARTY TRANSACTIONS**

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

**Ultimate holding entity**

ABR Family Trust

**Holding Company**

SRF Limited

**Key management personnel (KMP)**

Ashish Bharat Ram

Kartik Bharat Ram

Prashant Mehra

Hari Kishore Singh

Jai Prakash Chauhan (w.e.f. 10th January, 2024)

Pankaj Kaushik (w.e.f. 10th January, 2024)

**32.2 Transactions with related parties**

	<u>Year ended March 31, 2024</u>	<u>Period ended March 31, 2023</u>
<b>Issue of Share capital:</b>		
Holding Company	42,000.00	500.00
	<u>42,000.00</u>	<u>500.00</u>
<b>Purchase of property, plant &amp; equipment from:</b>		
Holding Company	0.67	168.31
	<u>0.67</u>	<u>168.31</u>
<b>Purchase of goods:</b>		
Holding Company	0.06	-
	<u>0.06</u>	<u>-</u>
<b>Sales of property, plant &amp; equipment to:</b>		
Holding Company	21.58	-
	<u>21.58</u>	<u>-</u>
<b>Borrowings received from:</b>		
Holding Company	36,503.97	27,815.87
	<u>36,503.97</u>	<u>27,815.87</u>
<b>Borrowings repaid to:</b>		
Holding Company	36,000.00	22,319.84
	<u>36,000.00</u>	<u>22,319.84</u>
<b>Interest expense paid to (including amount capitalised):</b>		
Holding Company	685.28	419.85
	<u>685.28</u>	<u>419.85</u>
<b>Reimbursement of expenses from:</b>		
Holding Company	-	0.51
	<u>-</u>	<u>0.51</u>
<b>Contribution to post employment benefit plans paid to:</b>		
Holding Company	-	23.74
	<u>-</u>	<u>23.74</u>
<b>Loans/Deposits received back:</b>		
KMP	2.09	-
	<u>2.09</u>	<u>-</u>



**SRF ALTECH LIMITED**

Notes to the financial statements for the year ended March 31, 2024

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

**32.3 Outstanding Balances**

	As at March 31, 2024	As at March 31, 2023
<b>Receivable:</b>		
Holding Company	25.72	23.74
	<b>25.72</b>	<b>23.74</b>
<b>Payable:</b>		
Holding Company	-	15.06
	<b>-</b>	<b>15.06</b>
<b>Interest Outstanding:</b>		
Holding Company	42.13	110.35
	<b>42.13</b>	<b>110.35</b>
<b>Loan Outstanding:</b>		
Holding Company	6,000.00	5,496.03
	<b>6,000.00</b>	<b>5,496.03</b>
<b>Equity investment by</b>		
Holding Company	42,500.00	500.00
	<b>42,500.00</b>	<b>500.00</b>
<b>Loan to KMP:</b>		
KMP	17.61	-
	<b>17.61</b>	<b>-</b>
<b>32.4 Key management personnel compensation</b>		
Short-term benefits *	14.92	-
	<b>14.92</b>	<b>-</b>

\*Including any reimbursement from the company.



## SRF ALTECH LIMITED

Notes to the financial statements for the year ended March 31, 2024

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

### 33 EMPLOYEE BENEFITS

#### 33.1 Defined contribution plans:\*

Amounts recognized in the statement of profit and loss are as under:

	Year ended March 31, 2024	Period ended March 31, 2023
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (i) below)	11.86	0.75
Employees' State Insurance Corporation	0.15	-
National Pension Scheme	1.21	0.27
	<u>13.22</u>	<u>1.02</u>

\*Including amount capitalised under Preoperative expenses.

##### (i) 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 recognized Provident Fund Trust. For other employees contributions are made to the Regional Provident Fund Commissioners. The Government mandates the annual yield to be provided to the employees on their corpus. This plan is considered as a Defined Contribution Plan. For the first category of employees (covered by the Trust), the company has an obligation to make good for the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government and these are considered as Defined Benefit Plans and are accounted for on the basis of an actuarial valuation.

#### 33.2 Defined benefit plans

The company sponsors funded defined benefit plans for qualifying employees. These 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 recognized 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 the providing the above benefits and will thus result an increase in value of the liability.

###### Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants both during and after the employment. An increase in the life expectancy of plan participants will increase the plan's liability.

##### (ii) The principal assumption used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	7.13%	7.13%	7.35%	7.35%
Expected statutory interest rate	-	8.25%	-	8.15%
Salary increase	8.50%	-	8.00%	-
Retirement Age (years)	58.00	58.00	58.00	58.00
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
<b>Withdrawal Rate</b>				
Upto 30 years	15.00%	15.00%	20.00%	20.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

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 and loss in respect of these benefit plans are as follows\*:**

	Year ended March 31, 2024		Period ended March 31, 2023	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	15.03	7.02	3.41	2.73
Interest expenses	1.30	1.13	0.88	0.41
	<b>16.33</b>	<b>8.15</b>	<b>4.29</b>	<b>3.14</b>

\* Including amount capitalised under Pre-operative expenses.

The current service cost and the net interest expenses for the year are included in Note 34 "Employee Benefits Expenses" under the head Contribution to provident and other funds.

**(iv) Amount recognized in other comprehensive income:**

	Gratuity	
	Year ended March 31, 2024	Period ended March 31, 2023
Actuarial (gain)/losses arising from changes in financial assumptions	2.89	-
Actuarial (gain)/losses arising from changes in experience adjustment	16.14	1.34
Actuarial (gain)/losses arising from changes in demographic adjustment	0.26	-
	<b>19.30</b>	<b>1.34</b>

**(v) The amount included in consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as**

	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	51.62	46.30	17.67	13.04
Fair value of plan assets	-	50.50	-	13.08
<b>Surplus / (deficit)</b>	<b>(51.62)</b>	<b>4.20</b>	<b>(17.67)</b>	<b>0.04</b>
Effect of asset ceiling, if any	-	(4.20)	-	(0.04)
<b>Net assets / (liability)</b>	<b>(51.62)</b>	<b>-</b>	<b>(17.67)</b>	<b>-</b>



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
 (All amounts in Rs. Lakhs, unless otherwise stated)

**(vi) Movements in the present value of defined benefit obligation are as follows:**

<b>Indian entities</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
	<b>Gratuity</b>	<b>Provident Fund</b>	<b>Gratuity</b>	<b>Provident Fund</b>
Opening defined benefit obligation	17.67	13.04	-	-
Current Service Cost	15.03	7.02	3.41	2.72
Interest Cost	1.30	1.13	0.88	0.41
Actuarial (gain)/losses on arising from Change in Demographic Assumption	0.26	-	-	-
Actuarial (gain)/losses arising from changes in financial assumptions	2.89	0.00	-	-
Actuarial (gain)/losses arising from changes in experience adjustments	16.14	2.43	1.34	0.07
Benefits paid	(1.67)	-	-	-
Contribution by plan participants / employees	-	11.13	-	4.54
Settlement / transfer in	-	11.54	12.04	5.30
<b>Closing defined benefit obligation</b>	<b>51.62</b>	<b>46.29</b>	<b>17.67</b>	<b>13.04</b>

**(vii) Movements in the fair value of plan assets are as follows:**

<b>Indian entities</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
	<b>Provident Fund</b>	<b>Provident Fund</b>	<b>Provident Fund</b>	<b>Provident Fund</b>
Opening fair value of plan assets	16.31	-	-	-
Return on plan assets (excluding amounts included in net interest expenses)	4.49	-	-	0.52
Contributions from employer	7.02	-	-	2.72
Contributions from plan participants	11.13	-	-	4.54
Settlement / Transfer in	11.54	-	-	8.53
<b>Closing fair value of plan assets</b>	<b>50.49</b>	<b>-</b>	<b>-</b>	<b>16.31</b>

**Gratuity :**

The average duration of the defined benefit obligation is 9.90 years. The Company expects to make a contribution of Rs. 23.78 Lakhs (Previous year Rs. 8.90 Lakhs) to the defined benefit plans during the next financial year.

**Provident fund:**

The plan assets have been primarily invested in government securities and corporate bonds.

**(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.

<b>Indian entities</b>	<b>Year ended March 31, 2024</b>		<b>Period ended March 31, 2023</b>	
	<b>0.50% increase</b>	<b>0.50% decrease</b>	<b>0.50% increase</b>	<b>0.50% decrease</b>
<b>Sensitivity analysis of gratuity</b>				
Discount rate	(2.42)	2.60	(0.77)	0.83
Expected salary growth	2.56	(2.40)	0.82	(0.77)
<b>Sensitivity analysis of Provident Fund</b>				
Discount rate	(0.01)	0.01	(0.90)	0.93

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.



**SRF ALTECH LIMITED**

**Notes to the financial statements for the year ended March 31, 2024**  
**(All amounts in Rs. Lakhs, unless otherwise stated)**

**34 EARNINGS PER SHARE (EPS)**

	<u>Year ended March 31, 2024</u>	<u>Period ended March 31, 2023</u>
Loss attributable to equity holders of the company used in calculating basic earning per share and diluted earning per share:	(1,632.70)	(367.60)
Weighted average number of equity shares of the company used in calculating basic earning per share and diluted earning per share (nos.)	12,63,38,798	50,00,000
Basic and diluted earnings per share of face value Rs.10 each	(1.29)	(7.35)



**SRF ALTECH LIMITED**

Notes to the financial statements for the year ended March 31, 2024  
 (All amounts in Rs. Lakhs, unless otherwise stated)

**35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****35.1 Capital Management**

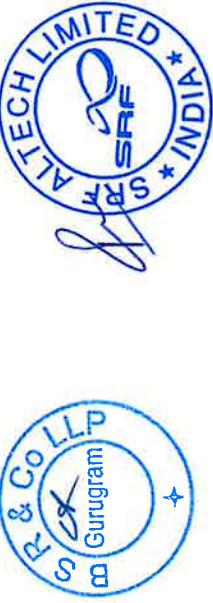
The Company manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the Company consists of net debt (borrowings net of cash and cash equivalents, deposits accounts with maturity beyond three months upto twelve months and current investments) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The Company also evaluates its gearing measures using Net Debt Equity Ratio to arrive at an appropriate level of debt and accordingly evolves its capital structure.

The following table provides the details of the debt and equity at the end of the reporting periods :

	As at March 31, 2024	As at March 31, 2023
Debt and lease liabilities	21,103.79	26,600.07
Less:		
Cash and cash equivalents	451.85	163.45
Net debt	<u>20,651.94</u>	<u>26,436.62</u>
Total equity	40,482.60	131.29
Net debt to equity ratio	0.51	201.37

**35.2 Financial instruments by category**

Financial assets	Level of hierarchy	Notes	Carrying value as at			Fair value as at
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	
<b>Measured at amortised cost</b>						
Trade Receivables	a		214.81	-	214.81	-
Cash and cash equivalents	a		451.85	163.45	451.85	163.45
Bank balances other than above	a		-	-	-	-
Loans	a,b		31.07	13.02	31.07	13.02
Other financial assets	a,b		710.12	293.55	710.12	293.55
			<b>1,407.85</b>	<b>470.02</b>	<b>1,407.85</b>	<b>470.02</b>
<b>Measured at Fair value through profit and loss</b>						
Derivative instruments	2		4.10	9.38	4.10	9.38
			<b>4.10</b>	<b>9.38</b>	<b>4.10</b>	<b>9.38</b>



Financial liabilities	Level of hierarchy	Notes	Carrying value as at			Fair value as at
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	
<b>Measured at amortised cost</b>						
Borrowings	a		20,999.76	26,496.03	20,999.76	26,496.03
Trade Payables	a		438.34	-	438.34	-
Other financial liabilities	a		2,999.80	1,268.87	2,999.80	1,268.87
			<b>24,437.90</b>	<b>27,764.90</b>	<b>24,437.90</b>	<b>27,764.90</b>

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 same as carrying value as there is no significant difference between carrying value and fair value.

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2024 and period ended March 31, 2023

**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.

**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 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.

Derivative contracts: The Company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the authorized dealers banks and forward exchange rates at the balance sheet date.

### 35.3 Financial Risk Management

The Company is exposed to various financial risks arising from its underlying operations and finance activities. The Company is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The Company's management monitoring financial risk arising from business operations and financing activities.

Financial risk management within the Company is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. Company policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. 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.

The Company manages its market risk exposures by using specific type of financial instruments permitted by RBI 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.



### 35.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments and derivative financial instruments. The Company enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

#### A. Foreign Currency Risk Management

Foreign currency risk also known as Exchange Currency Risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk in the Company is attributable to company's operating activities, investing activities and financing activities.

During the capex phase, the Company's exchange rate risk primarily arises on import of capex items that is different from the reporting currency (transaction risk). Such exposures are hedged basis the management guidance. This foreign currency risk exposure of the Company are mainly in Euro (EUR) and U.S. Dollar (USD). 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, 2024	As at March 31, 2023
USD	290.44	2,060.50
EUR	609.80	-

#### Foreign currency sensitivity analysis

The Company is mainly exposed to changes in USD and EURO exchange rates.

The following table details The Company's sensitivity to a 1% increase and decrease in the Rs. 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		Period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Rs. strengthens by 1%	Rs. weakens by 1%	Rs. strengthens by 1%	Rs. weakens by 1%	Rs. strengthens by 1%
2.90	(2.90) (20.60)	-	6.10 (6.10)	-
Impact on profit / (loss) *				
USD				
EUR				

#### Foreign exchange derivative and non - derivative financial instruments

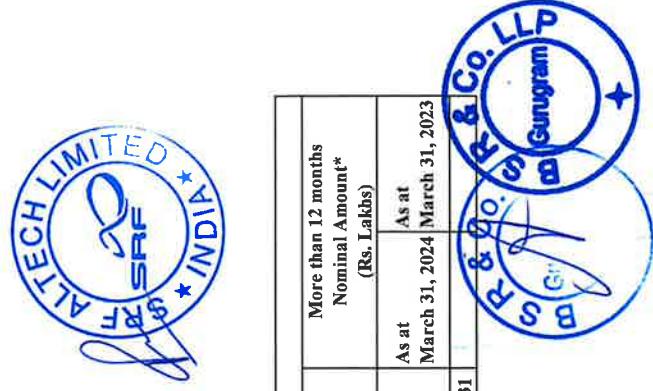
The Company uses derivative instruments for hedging financial risks that arise from procurement activities of capex items.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

	Outstanding Contracts*	No. of Deals	Contract value of foreign Currency (In Lakhs)	Maturity	
				As at March 31, 2024	As at March 31, 2023
EUR/USD Buy forward	1	3	7.25	109.25	652.43
				9,751.31	9,751.31

\* Computed using average forward contract rates

The following table details The Company's sensitivity to a 1% increase and decrease in the Rs. against the relevant foreign currency. The sensitivity analysis includes only outstanding forward exchange contracts as tabulated above and adjusts their translation at the period end for 1% change in forward rates. A positive number below indicates an increase in profit before tax or vice-versa.



	Year ended March 31, 2024	Period ended March 31, 2023
	Functional currency strengthens by 1%	Functional currency strengthens by 1%
	Functional currency weakens by 1%	Functional currency weakens by 1%
Impact on profit / (loss) for the year	(6.52)	6.52
EUR	(97.51)	97.51

### 35.3.2 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. Credit risk from balances with banks and financial institutions is managed by the Company by ensuring these funds are parked only with highly reputed banks. None of the Company's financial assets are subject to impairment, as there are no indications that defaults in payments obligation would occur.

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 Companies . 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.

#### Expected credit loss on financial assets:

To manage credit risk for trade receivables, the Company establishes credit approvals and credit limits, periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

With regard to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties, from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets.

### 35.3.3 Liquidity Risk Management

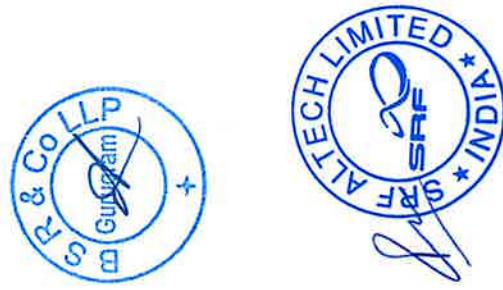
Liquidity risk is the risk of non-availability of financial facilities available to the Company to meet its financial obligations. During the initial stage, the Company has entered into a loan agreement with its parent entity to ensure adequate liquidity.

As at March 31, 2024	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
Borrowings*	3,870.73	21,767.96	-	25,638.69
Lease Liabilities **	7.26	29.06	661.10	697.42
Trade payables	438.34	-	-	438.34
Other financial liabilities	2,999.80	-	-	2,999.80
	<b>7,316.13</b>	<b>21,797.02</b>	<b>661.10</b>	<b>29,774.25</b>
As at March 31, 2023	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
Borrowings*	7,299.41	19,744.09	6,489.94	33,533.44
Lease Liabilities **	7.26	29.06	675.63	711.95
Trade payables	26.02	-	-	26.02
Other financial liabilities	1,023.83	-	-	1,023.83
	<b>8,356.52</b>	<b>19,773.15</b>	<b>7,165.57</b>	<b>35,295.24</b>

\* including future cash outflow towards estimated interest on borrowings.

\*\* including future cash outflow towards estimated interest on lease liabilities.

# Bank holds call option over loan disbursed.



**SRF ALTECH LIMITED**

Notes to the financial statements for the year ended March 31, 2024

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

**36 OTHER STATUTORY INFORMATION**

**(i) Analytical ratios**

	<b>Year ended March 31, 2024</b>	<b>Period ended March 31, 2023</b>	<b>% Change</b>	<b>Reason for Change, wherever the change is more than 25%</b>
a) Current ratio (Total current assets / Total current liabilities)	0.41	0.04	838.70%	Change due to production and sales started in current year.
b) Debt-equity ratio (Total debt including lease liabilities / Total equity)	0.52	202.61	-99.74%	Re-payment of term loans and infusion of fresh Equity in Current Year.
c) Debt service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / (Gross interest and lease payments + scheduled principal repayment of long term debts)]	(0.32)	(0.39)	-18.76%	Change due to higher re-payment of loan in the current year.
d) Return on equity ratio (Profit after tax / Average equity)	-8.04%	-280.00%	-97.13%	Change due to infusion of fresh equity.
e) Inventory turnover ratio (Sale of products / Average inventory)	0.67	Not Applicable	100%	Company commenced its operations from 1st January, 2024
f) Trade receivables turnover ratio (Sale of products / Average trade receivables)	11.13	Not Applicable	100%	Company commenced its operations from 1st January, 2024
g) Trade payables turnover ratio (Total Purchases / Average trade payables)	14.56	Not Applicable	100%	Company commenced its operations from 1st January, 2024
h) Net working capital turnover ratio (Sale of products / Working Capital)	-8.26%	Not Applicable	100%	Company commenced its operations from 1st January, 2024
i) Net profit ratio (Profit after tax / Total revenue from operations including other operating income)	-136.59%	Not Applicable	100%	Company commenced its operations from 1st January, 2024
j) Return on capital employed [Earnings before interest and tax / (Total equity + total debt + deferred tax liability)]	-2.32%	-1.00%	132.17%	Company commenced its operations from 1st January, 2024
k) Return on investment* (Income generated from investments / Weighted average investments)	0.25%	4.75%	-94.78%	Change due to Investment was made from the surplus funds for short duration.

\* Mutual funds are considered for the purpose of computing return on investment.



**SRF ALTECH LIMITED****Notes to the financial statements for the year ended March 31, 2024****(All amounts in Rs. Lakhs, unless otherwise stated)**

- (ii) There is no immovable property for which the title deeds is not held in name of the Company.
- (iii) The Company does not have any transactions with struck off companies.
- (iv) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (v) The Company is not declared a wilful defaulter by any bank or financial institution or any other lender.
- (vi) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Company has not entered into any scheme of arrangement which has an accounting impact on
- (viii) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xi) The Company has not traded or invested in Crypto Currency or Virtual Currency during the reporting year/period.

As per our report of even date attached

**For B S R & Co. LLP**  
*Chartered Accountants*

ICAI Firm registration no: 101248W/W-100022

**For and on behalf of the Board of Directors**  
Amit Jain

Partner

Membership No: 516455  
Place : Gurugram  
Date : May 06, 2024

  
Ashish Bharat Ram

Director

DIN - 00671567  
Place : Gurugram  
Date : May 06, 2024

  
Prashant Mehra

Director

DIN -09537060  
Place : Gurugram  
Date : May 06, 2024

  
Prateek Sabharwal  
*Deputy General Manager & Chief Financial Officer*  
Place : Gurugram  
Date : May 06, 2024  
Arjun Arora  
*Manager & Company Secretary*  
Place : Gurugram  
Date : May 06, 2024