

The BSE Ltd.  
BSE's Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
**Mumbai 400 001**

KAMA/SEC/AGM-20/2020

7<sup>th</sup> October, 2020

Dear Sir,

**Sub: Annual Report of 20<sup>th</sup> Annual General Meeting- KAMA Holdings Limited**

In continuation to our letter dated October 6, 2020 and In Compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached 20<sup>th</sup> Annual Report of KAMA Holdings Limited. Kindly ignore our earlier submission.

The Annual Report can also be accessed at the company's website at: [www.kamaholdings.com](http://www.kamaholdings.com)

Request to kindly take this intimation on record.

Thanking you,

Yours faithfully,  
For **KAMA Holdings Limited**

Ekta

**Ekta Maheshwari**  
**Whole-time Director, CFO & Company Secretary**  
**Encl : A/a**

**KAMA Holdings Limited**  
Block-C, Sector-15  
Gurgaon-122 002  
Haryana, India  
Tel: +91-124-4354400  
Fax: +91-124-4354500  
Email: [info@kamaholdings.com](mailto:info@kamaholdings.com)  
Website: [www.kamaholdings.com](http://www.kamaholdings.com)

Regd. Office:  
Flat No. 236 & 237, 2nd Floor,  
20F Galleria, Mayapuri  
Mayapuri Phase-1, Extension  
Delhi-110091



**KAMA HOLDINGS LIMITED**

**ANNUAL REPORT  
2019-20**

## **BOARD OF DIRECTORS**

Mr. Kartik Bharat Ram, Chairman

Mr. Amitav Virmani

Mr. Ashish Bharat Ram

Mr. Jagdeep Singh Rikhy

Ms. Ira Gupta

Ms. Ekta Maheshwari, Whole-time Director, CFO & Company Secretary

## **AUDITORS**

Luthra & Luthra LLP, Chartered Accountants, New Delhi till August 10, 2020.

M/s V Sahai Tripathi & Co., Chartered Accountants, New Delhi w.e.f. August 10, 2020

## **BANKER**

HDFC Bank Ltd.

## **REGISTERED OFFICE**

CIN :L92199DL2000PLC104779

The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091

Email : [info@kamaholdings.com](mailto:info@kamaholdings.com) Website: [www.kamaholdings.com](http://www.kamaholdings.com)

## **CORPORATE OFFICE**

Block C, Sector 45, Gurugram – 122003 (Haryana), India

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## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of KAMA Holdings Limited will be held on Friday, October 30, 2020 through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility [Deemed Venue for meeting: Registered Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2<sup>nd</sup> Floor, Mayur Place, Mayur Vihar Phase I Extn, Delhi – 110091] to transact the following businesses: -

### Ordinary Business

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company for the year ended March 31, 2020 together with the Reports of the Auditor and Board of Directors thereon.
2. To confirm the payment of Interim Dividend of 6% and to declare remaining 2% final dividend on 8% Non-Cumulative Redeemable Preference Shares.
3. To appoint a Director in place of Mr. Ashish Bharat Ram (DIN 00671567), who retires by rotation and being eligible, offers himself for re-election.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Ratification of appointment of Statutory Auditors to fill the casual vacancy caused by resignation

“**RESOLVED THAT** pursuant to the provisions of Section 139(8), 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), appointment of M/s V Sahai Tripathi & Co., Chartered Accountants, New Delhi (Registration No. 000262N), as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. Luthra & Luthra LLP, Chartered Accountants, New Delhi (Registration No. 002081N/N500092) Statutory Auditors, to hold office from August 10, 2020, till the conclusion of this 20<sup>th</sup> Annual General Meeting, at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors, be and is hereby approved, confirmed and ratified.”

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

Appointment of Statutory Auditors and fix their remuneration

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), M/s V Sahai Tripathi & Co., Chartered Accountants, New Delhi (Registration No. 000262N) be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of this 20<sup>th</sup> Annual General Meeting (“AGM”) till the conclusion of the 25<sup>th</sup> AGM to be held in the year 2025, at such remuneration plus out-of-pocket expenses and applicable taxes etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### Special Business

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

Appointment of Mr. Jagdeep Singh Rikhy (DIN: 00944954) as an Independent Director

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), Regulation 16(1)(b) and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination, Appointment and Remuneration Policy of the Company, Mr. Jagdeep Singh Rikhy (DIN: 00944954) who was appointed as an Additional Director of the Company effective from November 13, 2019 in terms of Section 161(1) of the Act who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term upto March 31, 2024 and shall not be liable to retire by rotation.”

By Order of the Board  
for KAMA Holdings Limited

Sd/  
**Ekta Maheshwari**  
(DIN 02071432)  
Whole Time Director, CFO  
& Company Secretary

Gurugram  
September 24, 2020

## NOTES

1. Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, which sets out details of material facts in respect of Item No. 3, 4, 5 and Special business to be transacted at this AGM, is annexed hereto.
2. In compliance with applicable provisions of the Companies Act, 2013 (“the Act”) read with the MCA Circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and June 15, 2020 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and SEBI Circular dated May 12, 2020 and further extension granted by the Registrar of Companies NCT of Delhi & Haryana, vide its order no. ROC/Delhi/AGM Ext./2020/11538 dated September 8, 2020, in view of the prevailing COVID-19 pandemic, the 20th AGM of the Company is being conducted on Friday, October 30, 2020 through Video Conferencing (VC) or Other Audio Visual means (OAVM)
3. Company has appointed M/s. Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Registrar and Share Transfer Agent (“Registrar”), to provide VC/OAVM facility for the AGM and the attendant enablers for conducting of the AGM.
4. Since, the meeting is being conducted through VC/OAVM, facility of appointing proxies to attend and vote at the meeting on behalf of the members of the Company is not available and hence the proxy form is not annexed to this notice. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.  
  
Body Corporates who intends to authorize representatives to participate and vote on their behalf in the meeting to be held through VC/OAVM are requested to send, in advance, a duly certified copy of the relevant board resolution/letter of authority/power of attorney to the Company at [info@kamaholdings.com](mailto:info@kamaholdings.com), through its registered E-mail Address.
5. The attendance of members (members’ login) attending the AGM through VC/ OAVM shall be reckoned for the purpose of Quorum under Section 103 of the Companies Act, 2013 and hence no attendance slip is attached to the notice.
6. Pursuant to the applicable provisions of the Companies Act 2013, unpaid/unclaimed dividends up to the financial year 2012-13, was transferred to the Investor Education & Protection Fund (IEPF). Besides the dividend so transferred, Company has also transferred the relative share scrips in respect of dividends which remained unpaid for a continuous period of seven years to the demat account of IEPF Authority, in accordance with the applicable

provisions of Companies Act, 2013 and Rules made thereunder. It may be noted that once the unclaimed / unpaid dividend and/or shares are so transferred; the same can only be reclaimed by a shareholder from the IEPF Authority in accordance with the applicable provisions of the Companies Act 2013 and relevant Rules made thereunder by following the prescribed procedure in this regard. The IEPF Rules and the application Form (Form IEPF-5), as prescribed by the Ministry of Corporate Affairs, are available on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in). Details of the unpaid/ unclaimed dividend and shares transferred to IEPF from time to time also have been uploaded on the “Investors Section” of the website of the Company viz. [www.kamaholdings.com](http://www.kamaholdings.com) .

Members, who have not encashed their dividend pertaining to financial year 2013-14 onwards, are advised to write at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) to M/s. Kfin Technologies Private Limited, Registrar of the Company immediately for claiming the same.

7. Members may utilize the facility extended by the Registrar for redressal of their queries including change of address, if any, by visiting at <https://karisma.kfintech.com/> and clicking on ‘Investor Relations’ section for query registration through free identity registration process. Members may also write at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) clearly mentioning their DP ID/ Client ID.
8. Members desiring any information/ clarification on the financial statements or any of the resolutions as detailed in the Notice are requested to write to the Company on or before 26<sup>th</sup> October 2020 through an E-mail to [info@kamaholdings.com](mailto:info@kamaholdings.com), specifying his/her name along with Demat account details. The same shall be replied by the Company suitably.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which directors are interested under Section 189 of the Companies Act, 2013 and all other documents mentioned in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an E-mail to [info@kamaholdings.com](mailto:info@kamaholdings.com).
10. Notice of the AGM and Annual Report 2019-20 are being sent via electronic mode to the members whose E-mail addresses are registered with the Company/ Registrar or the Depository Participant(s). In accordance with the MCA Circular No. 17/2020 dated 13<sup>th</sup> April 2020, the Notice calling the AGM has been uploaded on the Company’s website: [www.kamaholdings.com](http://www.kamaholdings.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and is also available on the website of e-voting agency M/s KFin Technologies Private Limited at <https://evoting.karvy.com/>.

11. The Annual Report along with the Notice of AGM is being sent to the members, whose name appear in the register of members/depositories as at closing hours of business on 2<sup>nd</sup> October, 2020.
  - a. Those member who have registered their E-mail address and mobile number including postal address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar in case the shares held in physical form.
  - b. Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number registered with the Company's Registrar, by clicking the link: <https://karisma.kfintech.com/E-mailreg> for sending the same. Members are requested to follow the process as guided to capture the E-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - c. Members are also requested to visit the website of the Company <https://www.kamaholdings.com> or the website of the Company's Registrar <https://karisma.kfintech.com/> for downloading the Annual Report and Notice of the AGM.
  - d. Alternatively members may send an E-mail request at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed request letter providing the E-mail address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
12. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Company's Registrar.
13. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form effective from 1<sup>st</sup> April 2019. In view of the above, members are advised to dematerialize their shares held by them in physical form. Members can also write to the Company's Registrar in this regard.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Company's Registrar of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
15. In case of joint holders attending the meeting, the members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. **Instructions for the Members for attending the AGM through Video Conferencing:**
  - a) Members will be provided with a facility to attend the AGM through VC platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-Voting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this notice.
  - b) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - c) Members are requested to participate in the AGM on a first-come-first served basis, as participation through VC is restricted upto 1000 members only. However, members holding 2% or more shareholding (Large Shareholders), Promoters, Institutional investors, Directors, Key Managerial Personnel (KMP), Chairpersons of the Audit, Nomination & Remuneration and Stakeholder's Relationship Committee, Auditors, etc. are allowed to attend the AGM without restriction on account of first-come-first served principle.
  - d) Members who would like to express their views or ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions", queries/views/questions in the window provided by mentioning the name, demat account number/folio number, E-mail id, mobile number. Please note that, the queries/views/questions of those members

will be answered who continue to hold the shares as on cut-off date. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the aforesaid window facilities during the meeting.

- e) In addition to above, members who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during this period. The speaker registration shall commence on 24<sup>th</sup> October 2020 at 9.00 AM (IST) and closes on 26<sup>th</sup> October 2020 at 5.00 PM (IST). Members are requested to remember the same and wait for their turn to be called by the Chairman/ Company Secretary of the meeting during the Q&A Session. Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence members are encouraged to send their queries/views/questions in advance as provided in note no. 8. The members may also send their queries alongwith their name and Client Id/DP Id or folio no. as the case may be to the email: [info@kamaholdings.com](mailto:info@kamaholdings.com) during the said period and the replies to these queries may be given by the Chairman during the course of AGM or subsequently via email.
- f) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM on first come first served basis subject to the limitations as mentioned in note (c) above.

#### 17. Cut-off Date for E-voting:

- a) The remote e-voting /voting rights of the members/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. 23<sup>rd</sup> October 2020 only.
- b) A person who is not a member as on the Cut-off Date should treat this Notice for information purposes only.

#### 18. Voting through electronic means / Remote e-voting:

The Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' M/s KFin Technologies Private Limited, Company's Registrar, for the eligible members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of the AGM.

- a) The remote e-voting period begins on Tuesday, 27<sup>th</sup> October 2020 at 09.00 am (IST) and ends on Thursday, 29<sup>th</sup> October 2020 at 5.00 PM (IST). During this period members of the Company, as on the Cut-Off Date i.e. 23<sup>rd</sup> October 2020, may cast their votes electronically. Once the vote on a resolution

is cast by a member, the member shall not be allowed to change it subsequently. In case of voting by both the modes, vote casted through remote e-voting will be considered final.

- b) The remote e-voting module shall be disabled by Company's Registrar for voting at 5:00 PM (IST) on Thursday, 29<sup>th</sup> October 2020.

#### 19. Voting at the AGM: Members who could not vote through remote e-voting may avail the e-voting facility as shall be provided during the AGM.

##### Instructions for members for e-Voting during the AGM session:

- a) The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman/ Company Secretary during the e-AGM proceedings. Shareholders shall click on the same to take them to the "Instapoll" page
- b) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- c) Only those members, who will be present in the AGM through VC facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the AGM.
- d) However, members who have voted through Remote e-Voting will also be eligible to attend the AGM.

#### 20. The details of the process and manner for remote e-voting are explained herein below:

- i. Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and password mentioned in the E-mail forwarding the Notice of AGM or mentioned on the attendance sheet accompanying the Notice of AGM in case E-mail id is not registered and physical copy of the Annual Report is being received by you. The said login credentials shall be valid only in case you continue to hold the shares on the cut-off date). Your Folio No./ DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Kfintech for remote e-voting, you shall use your existing User ID and password for casting your vote.
- iii. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut- off date i.e. 23<sup>rd</sup> October 2020 may obtain the User id and password in the manner as mentioned below:



- a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXXX1234567

- b) If e-mail id or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c) Members may call Kfintech toll free number 1-800-3454-001.
- d) Members may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). However, Kfintech shall endeavor to send User ID and Password to those new Members whose mail ids are available.

If the member is already registered with Company's Registrar for remote e-voting, he can use his existing User ID and password for casting the vote without any need for obtaining any new User ID and password.

- iv. After entering these details appropriately, click on "LOGIN".
- v. You will now reach at the password changing Menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, E-mail ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the Event Number for KAMA Holdings Limited.
- viii. On the voting page you will see the Resolution Description and the Options "FOR/AGAINST/

ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.

- ix. You may then cast your vote by selecting an appropriate option and click on "Submit".
- x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xi. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
21. In case of any grievances connected to the remote e-voting or e-voting or VC/ OAVM during the AGM, please contact Mr. B Venkata Kishore, Deputy Manager at M/s KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, Contact no. 040-67162222 or call Kfintech toll free No. 1800-3454-001 for any further clarifications.
22. You can also update your mobile number and E-mail address in the user profile details of the folio which may be used for sending future communication(s).
23. Any person who acquires shares of the Company and becomes member of the Company post-dispatch of Notice of AGM along with the Annual Report before the Cut-Off Date may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com) or visit the FAQ's section available at Kfintech website <https://evoting.karvy.com>.
24. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the Cut-off Date.
25. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
26. Mr. Arvind Kohli , Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner
27. The results declared along with the report of the



Scrutinizer shall be placed on the Company's website <https://www.kamaholdings.com> and on the website of M/s. KFin Technologies Private Limited <https://evoting.karvy.com> immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the concerned Stock Exchanges i.e. BSE.

28. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
29. In terms of SEBI Listing Regulations, application for : (i) Deletion of name of the deceased member(s) where the shares are held in the name of two or more member(s) (ii) Transmission of shares to the legal heir(s)/representative(s), where deceased member was the sole holder of shares (iii) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more member has to be accompanied with a self-attested copy of their PAN along with the other required documents to the Company's Registrar irrespective of the value of the transaction. Members are requested to bear in mind the aforesaid requirements while communicating with the Company or Registrar for any of the purposes stated above. Section 72 of the Act, provides for Nomination by the members of the Company and the members are requested to avail this facility.

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

**Item No. 3**

**Mr. Ashish Bharat Ram (DIN: 00671567)**

Mr. Ashish Bharat Ram is a Director liable to retire by rotation. In compliance with the requirements of Section 152 of the Companies Act, 2013, Mr. Ashish Bharat Ram will, retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Ashish Bharat Ram (DIN: 00671567) (51 years) has done his schooling from Doon School and graduation in Economics from the Hindu College, Delhi University with an emphasis on mathematics. He holds a Masters' degree in Business Administration on Corporate Strategy with an emphasis on finance and strategy from The Johnson Graduate School of Management, Cornell University, Ithaca, NY, USA and has about 29 years working experience in senior positions. He is the Managing Director of SRF Ltd. which is engaged in the business of manufacture of nylon tyre record, refrigerant gases, specialty chemicals and packaging films.

Mr. Ashish Bharat Ram is a member of Nomination & Remuneration Committee and Committee of Directors-Financial Resources and Chairman of Stakeholders Relationship Committee and Risk Management Committee of the Board. He holds 31,94,325 fully paid up 8% Non-Cumulative Redeemable Preference Shares of Rs. 10 each (24.73% of the paid up preference share capital), jointly with Mr. Kartik Bharat Ram, his relative.

<b>Directorships in other Indian companies</b>	<b>Committee Chairmanship/ Membership</b>
SRF Ltd.	Stakeholders Relationship Committee – Member Risk Management Committee – Chairman Committee of Directors-Financial Resources – Member
Transport Corporation of India Limited	Compensation/ Nomination & Remuneration Committee – Chairman Corporate Social Responsibility Committee – Chairman Corporate & Restructuring Committee – Member
Shri Educare Limited	-
Orange Farms Private Limited	-
Lotus Estate Private Limited	-
TVS Capital Funds Private Limited	-

Except Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram who is his relative, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. In view of the above, the Board of Directors recommend the resolution for approval of the members by way of ordinary Resolution set out at Item No. 3 of the Notice.

**Item Nos. 4 & 5**

The Members of the Company at their 17<sup>th</sup> Annual General Meeting ("AGM") had approved the appointment of M/s. Luthra & Luthra LLP, Chartered Accountants, New Delhi (Registration No. 002081N/N500092) as the Statutory Auditors of the Company to hold office till the conclusion of the 22<sup>nd</sup> AGM.

M/s. Luthra & Luthra LLP, Chartered Accountants, New Delhi (Registration No. 002081N/N500092) vide its letter dated August 10, 2020 resigned as the Statutory Auditors of the Company due to time gap between receipt of Company's material subsidiary's audited financial

statements/ reviewed financial results and Company's Audit Committee meetings being very meagre, resulting in insufficient time available for audit of the consolidated financial statements/review the consolidated financial results. This has resulted in a casual vacancy in the office of the Statutory Auditors of the Company.

Pursuant to Section 139(8) of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company, on the recommendation of the Audit Committee at its meeting held on August 10, 2020 accepted resignation of M/s. Luthra & Luthra LLP, Chartered Accountants, New Delhi (Registration No. 002081N/N500092) and appointed M/s V Sahai Tripathi & Co., Chartered Accountants, New Delhi (Registration No. 000262N), as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Luthra & Luthra LLP with effect from August 10, 2020 till the conclusion of this 20th AGM, subject to the approval and ratification by the Members at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s V Sahai Tripathi & Co. (VST), Chartered Accountants (Firm Registration No. 000262N) is a well known firm of Chartered Accountants based at New Delhi, founded in 1935. Over years, it has become a multi service professional organisation with experience in the area of Statutory Audits, Internal Audits, Bank Audits, Company Law Advisory, Taxation including International Taxation, Financial Consultancy.

The Board of Directors of the Company on the recommendation of the Audit Committee at its Meeting held on August 10, 2020, also recommended the appointment M/s V Sahai Tripathi & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of this 20th AGM, till the conclusion of the 25th AGM of the Company to be held in the year 2025, subject to the approval of the Members at such remuneration plus out of pocket expenses and applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Company has received the consent letter and eligibility certificate from M/s V Sahai Tripathi & Co., Chartered Accountants, to act as the Statutory Auditors of the Company in place of M/s. Luthra & Luthra LLP, Chartered Accountants, New Delhi (Registration No. 002081N/N500092) along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Act.

The proposed fee payable to M/s V Sahai Tripathi & Co., Chartered Accountants shall be fixed by the Board of Directors of the Company. There is no material change in the fee payable to M/s V Sahai Tripathi & Co. Chartered Accountants from that paid to the erstwhile Auditors.

The Board accordingly recommends the ordinary resolutions set out at Item No. 4 and 5 of this notice for approval of the Members.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4 and 5 of the Notice.

#### **Item No. 6**

#### **MR. JAGDEEP SINGH RIKHY (DIN: 00944954)**

In terms of the Nomination, Appointment and Remuneration Policy of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors has appointed Mr. Jagdeep Singh Rikhy (55) as Additional Director in the category of Independent Director, effective from November 13, 2019. Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act'), Mr. Jagdeep Singh Rikhy holds office upto the date of this AGM and is eligible for appointment as Director of the Company. In accordance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. Jagdeep Singh Rikhy as an Independent Director who shall hold office upto a term ending on 31st March 2024 on the Board of the company and he shall not be liable to retire by rotation.

Notice as stipulated under Section 160 of the Act has been received from a member intending to propose the candidature of Mr. Jagdeep Singh Rikhy for appointment as a Director of the Company. Mr. Jagdeep Singh Rikhy has given his consent to act as Director. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration that he meets the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'). Mr. Jagdeep Singh Rikhy is a member of Audit Committee of KAMA Holdings Limited.

In the opinion of the Board of Directors, Mr. Jagdeep Singh Rikhy fulfills the conditions specified in the Act and the rules made thereunder read with the Listing Regulations for appointment as an Independent Director of the Company and he is independent of the management of the Company.

Mr. Jagdeep Singh Rikhy has no shareholding in the Company. He does not hold directorship in any other Public limited Company. Except Mr. Jagdeep Singh Rikhy, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution.

The Board of Directors recommend the resolution for approval of the members by way of ordinary Resolution

#### **Important communication to members**

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

## Board's Report

Dear Members,

Your Directors are pleased to present their Twentieth Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2020

### **FINANCIAL RESULTS**

(Rs. Lakhs)

Particulars	2019-20	2018-19
Dividend and Other Income	4,206.86	3,750.38
Profit before Interest, Depreciation & Tax (PBIDT)	4,138.91	3,699.95
Less: Interest & Finance Charges (Net)	103.36	103.36
Gross Profit	4,035.55	3,596.59
Less: Depreciation and amortization charge	3.76	0.75
Profit before Tax (PBT)	4,031.79	3,595.84
Less: Provision for Taxes (including provision for deferred tax)	(5.86)	(73.56)
Net Profit after Tax (PAT)	4,037.65	3,669.40
Add: Profit brought forward from previous year	29,410.80	26,709.50
Surplus available for appropriation	33,448.45	30,378.90

### **Appropriations**

Interim Dividend on Equity shares	1,935.78	967.89
Corporate tax on dividend	-	-
Other comprehensive income arising from re-measurement of defined benefit obligation	(0.32)	(0.21)
Amount transferred to General Reserve	-	-
Profit carried to Balance Sheet	31,512.35	29,410.80
Total Appropriation	33,448.45	30,378.90

### **DIVIDEND**

During the year, your Company has paid an interim dividend of Rs. 30 per equity share amounting to Rs. 1935.78 Lakhs. No final dividend is recommended on Equity Shares.

Your Directors paid Interim dividend on 8% Non-cumulative Redeemable Preference Shares at 6% as

Interim Dividend and has recommended remaining 2% as final dividend.

### **OPERATIONS REVIEW**

Profit before Interest, Depreciation & Tax (PBIDT) increased by 11.86% to Rs 4138.91 lakhs during 2019-20 from Rs 3699.95 lakhs during 2018-19. Profit after Tax increased by 10.03% to Rs. 4037.65 lakhs during 2019-20 from Rs 3669.40 lakhs during 2018-19 mainly on account of increase in dividend income.

### **TRANSFER OF SHARES INTER-SE PROMOTERS**

During the year, 4839446 equity shares (75% of Equity Share Capital) held jointly by Promoters i.e. Mr. Arun Bharat Ram, Mr. Ashish Bharat Ram and Mr. Kartik Bharat Ram have been gifted/settled in ABR Family Trust The Trustees are Mr. Arun Bharat Ram, Mr. Kartik Bharat Ram and Mr. Ashish Bharat Ram. This was done in accordance with SEBI order dated December 9, 2019 granting exemption to ABR Family Trust, from complying with the requirements of Regulations 4 and 5(1) of the Takeover Regulations 2011

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

As on March 31, 2020, your company had the following subsidiaries:-

1. SRF Limited is a subsidiary of the Company engaged primarily in the manufacture of technical textiles, specialty chemicals, fluorochemicals and packaging films. It has Six wholly owned subsidiaries out of which one wholly owned subsidiary is registered in India and remaining five are registered outside India. Two of these are direct wholly owned subsidiaries and the rest four are step down wholly owned subsidiaries of SRF Limited. The details of the business of these subsidiaries is more particularly given in the Annual Report of SRF Ltd. for 2019-20 which is available on the website [www.srf.com](http://www.srf.com)
2. SRF Transnational Holdings Ltd. (SRFT) is a registered non deposit taking NBFC engaged in the business of investment in shares and securities.
3. Shri Educare Ltd. (SEL) is a company engaged in the business of rendering assistance for establishing, managing and running of the schools including sub-licensing of copyrights, trademarks and software.
4. Shri Educare Maldives Pvt. Ltd. (SEMPL) is managing a school in a public-private partnership with Maldives Government.
5. KAMA Realty (Delhi) Ltd. (KRDL) is a company engaged in acquisition and rental of properties.
6. KAMA Real Estate Holdings LLP (KREHL) is a limited liability partnership between KAMA Realty (Delhi) Ltd. and Shri Educare Ltd. It is engaged primarily in acquisition and rental of properties.

The consolidated profit and loss account for the period ended March 31, 2020 includes the profit and accounts for these twelve subsidiaries for the complete financial year ended March 31, 2020

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

No company has become/ceased to be a joint venture or associate during the year. A report on performance and financial position of each of the subsidiaries and associates is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report. The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at the link: [http://www.kamaholdings.com/Inv/Policy\\_MaterialSubsidiaryCompanies.pdf](http://www.kamaholdings.com/Inv/Policy_MaterialSubsidiaryCompanies.pdf)

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

#### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr. Ashish Bharat Ram (DIN: 00671567) is retiring at the forthcoming annual general meeting and being eligible offers himself for re-appointment.

Mr. Dharendra Datta (DIN 02376649), Independent Director) had resigned with effect from November 13, 2019 due to preoccupation. There were no material reasons for his resignation.

Further, the Board had appointed Mr. Jagdeep Singh Rikhy (DIN 00944954) as an Additional Director (Non-Executive, Independent) in its meeting held on November 13, 2019 and has recommended the members to appoint him as Independent Director through ordinary resolution for a term upto March 31, 2024.

All the Independent Director(s) have submitted the declaration of meeting the criteria for independence as provided in section 149 (6) of the Companies Act, 2013 and Listing Regulations. They are also independent of the management.

The Board confirms that independent directors appointed during the year possess the desired integrity, expertise and experience. The independent directors, as applicable, have been advised to undergo the Online Proficiency Test as prescribed under Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended.

Brief resumes of the directors who are proposed to be appointed/re-appointed are given in the Notice of the 20th Annual General Meeting.

In accordance with the requirements of the Act and the Listing Regulations, the Company has formulated a Nomination, Appointment and Remuneration Policy. A copy of the Policy is enclosed as Annexure 1.

In accordance with the aforesaid Policy, the Nomination and Remuneration Committee (NRC) evaluates the performance of the Executive Director, Non- Independent non-executive Directors and Independent Directors. Board evaluates, its own performance on criteria like discharge of duties and responsibilities under the Companies Act, 2013 ("the Companies Act) and Listing Regulations, fulfilment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year and the performance of its Committees on the criteria like fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the Listing Regulations and the number of committee meetings held during the year. Performance evaluation of individual Directors is done annually by the NRC as per the structure of performance evaluation prescribed in the Nomination, Appointment and Remuneration Policy.

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

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

[http://www.kamaholdings.com/Inv/Familization\\_Independent\\_Directors.pdf](http://www.kamaholdings.com/Inv/Familization_Independent_Directors.pdf)

#### **MEETINGS OF THE BOARD**

During the year 2019-20, five meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 38 of this Annual Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts/ arrangements/ transactions entered into by the Company during the financial year, with related parties, referred to in sub-section (1) of section 188 were in the ordinary course of business and on an arms' length basis and in accordance with the basis approved by the Audit Committee. During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on materiality of related party transactions.

Your Directors draw attention of the members to Note 27 to the notes to accounts forming part of the financial statements which sets out related party transaction disclosures.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

Particulars of loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan, guarantee or security was proposed to be utilized by the recipient are provided in the standalone financial statement Please refer Note 28 to the standalone financial statement).

#### **BUSINESS RESPONSIBILITY REPORT**

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective has been prepared for 2019-20 and forms a part of the Board's Report.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year 2019-20, the provisions of Section 135 of the Companies Act 2013, were not applicable to the Company as the criteria for formation of CSR Committee laid down in section 135 (1) of the said Act were not met by the Company. Moreover, the net profit of the Company consisted predominantly of dividend from SRF limited, which is a subsidiary of the Company, which is complying with the requirements of the said section. As per the Companies (Corporate Social Responsibility Policy) Rules 2014, net profit for the purpose of the said section excludes any dividend income received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

#### **RISK MANAGEMENT**

The Company is a Core Investment Company within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011

Investment business is always prone to various risks i.e. risk of capital market fluctuations, global developments, competition risk, interest rate volatility, economic cycles and political risks which can affect the fortunes of investment companies in both ways.

To manage these risks the Company is following a sound and prudent risk management policy. The aim of the policy is to minimize risk and maximize the returns.

In the opinion of your Board, none of the risks, which have been identified, may threaten the existence of the Company.

The Company has a Risk Management Committee consisting of Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram, Director and Ms. Ekta Maheshwari, Whole-time Director, CFO & CS as members of the Committee.

#### **INTERNAL FINANCIAL CONTROLS**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

#### **LISTING OF EQUITY SHARES**

KAMA's equity shares are listed at the BSE Limited.

#### **DIVIDEND DISTRIBUTION POLICY**

In compliance with the listing regulations, your Board had formulated a Dividend Distribution Policy. A copy of the said policy is available on the website of the company at [www.kamaholdings.com](http://www.kamaholdings.com). The Policy is also given in Annexure II.

#### **CORPORATE GOVERNANCE**

Certificate of the practicing Company Secretary regarding compliance of the conditions of corporate governance as stipulated in Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report as Annexure III.

In compliance with the requirements of Regulation 17(8) of the aforesaid Regulations, a certificate from Whole Time Director, CFO and Company Secretary was placed before the Board.

All Board members affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Whole Time Director, CFO and Company Secretary is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company ([www.kamaholdings.com](http://www.kamaholdings.com)).

## **CONSOLIDATED FINANCIAL STATEMENT**

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

## **AUDIT COMMITTEE**

The Audit Committee comprises of Independent Directors namely Mr. Amitav Virmani (Chairman of the Committee), Mrs. Ira Gupta and Mr. Jagdeep Singh Rikhy as other members. All the recommendations made by the Audit Committee were accepted by the Board.

## **ACCOUNTS AND AUDIT**

M/s. Luthra & Luthra LLP, Chartered Accountants, New Delhi (Registration No. 002081N/N500092) ("Luthra") were appointed as the Statutory Auditors of the Company for 5 years on 17<sup>th</sup> Annual General Meeting to hold office from the conclusion of 17<sup>th</sup> Annual General Meeting until the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company. However Luthra tendered their resignation w.e.f August 10, 2020 due to time gap between receipt of Company's material subsidiary's audited financial statements/ reviewed financial results and Company's Audit Committee meetings being very meagre resulting in insufficient time available for audit of the consolidated financial statements/review the consolidated financial results.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on August 10, 2020, noted and accepted their resignation and has appointed M/s V Sahai Tripathi & Co. (VST), Chartered Accountants (Firm Registration No. 000262N) as statutory Auditors to fill the casual vacancy upto the ensuing Annual General Meeting and has recommended to the members to appoint them as Statutory Auditors for a period of 5 years from the conclusion of ensuing 20<sup>th</sup> Annual General Meeting.

M/s V Sahai Tripathi & Co. (VST), Chartered Accountants (Firm Registration No. 000262N) is a well known firm of Chartered Accountants based at New Delhi, founded in 1935. Over years, it has become a multi service professional organisation with experience in the area of Statutory Audits, Internal Audits, Bank Audits, Company Law Advisory, Taxation including International Taxation, Financial Consultancy.

The Audit for FY 2019-20 and limited review for Q1 for FY 2020-21 was conducted by Luthra and there are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditor in their Audit Report For FY 2019-20 and limited review report for Q1 for FY 2020-21. The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in the Annual Report.

## **COST AUDIT**

As per the requirement of section 148(1) and other applicable provisions of the Companies Act, 2013, Maintenance of Cost records is not applicable on the Company.

## **VIGIL MECHANISM**

In compliance of provisions of the Companies Act, 2013 and Listing Regulations, the company has established a vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct. The Vigil mechanism of the Company consists of Code of Conduct for Employees, Whistleblower Policy, Code of Conduct for Prevention of Insider Trading and Code of Conduct for Directors and Sr. Management Personnel. These taken together constitute the vigil mechanism through which Directors, employees and other stakeholders can voice their concerns. The Whistleblower Policy, Code of Conduct for Prevention of Insider Trading and Code of Conduct for Directors and Sr. Management Personnel can be accessed on the Company's website at the link <http://www.kamaholdings.com/InvCodesPolicies.aspx>.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management discussion and analysis on matters as stipulated in Listing Regulations is given as a separate section in the Annual report.

## **SECRETARIAL AUDITOR**

The Board had appointed M/s Sanjay Grover & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Secretarial Compliance Report dated May 28, 2020, issued as per SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 was given by M/s Sanjay Grover & Associates, Practicing Company Secretary which was submitted to Stock Exchanges.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, a statement showing the names and other particulars of the employees drawing remuneration required to be disclosed under the said rules are provided in Annexure V.

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

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

As the Company is not carrying out any manufacturing activity, the disclosures as required under section 134(3)(m) of the Companies Act, 2013 and rules made thereunder have not been given. There is no foreign exchange earnings and outgo in the financial year ended March 31, 2020.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as Annexure VII.

The Annual Return (MGT-7) of the Company as on March 31, 2019 is available on the following web link: [www.kamaholdings.com](http://www.kamaholdings.com)

**SECRETARIAL STANDARDS**

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

**GENERAL**

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

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Whole-time Director, CFO and Company Secretary has not received any remuneration or commission from any of the Company's subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

During the year there were no complaints received under the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal ) Act, 2013.

**ACKNOWLEDGEMENTS**

Your Directors acknowledge with gratitude the co-operation and assistance received from various stakeholders and statutory agencies. Your Directors thank the shareholders for their support.

**For and on behalf of the Board of Directors**  
**Kartik Bharat Ram**  
**Chairman**  
**(DIN 00008557)**

**New Delhi**  
**August 10, 2020**

**KAMA HOLDINGS LIMITED**  
**NOMINATION, APPOINTMENT AND REMUNERATION POLICY**

**A. Introduction**

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

**B. Definitions**

Directors	Directors (other than Whole-time Director(s)) appointed under the provisions of the Companies Act, 2013 and rules made thereunder.
Key Managerial Personnel	Whole-time Director(s), Chief Financial Officer and Company Secretary.
Senior Management Personnel	All Key Managerial Personnel and officers as may be decided by the NRC/ Board

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

**C. Terms of Reference**

The Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2014 reconstituted the existing Remuneration Committee of Directors as "Nomination and Remuneration Committee" of Directors (the Committee). The terms of reference of the Committee are as follows:-

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

**D. Criteria for recommending a person to become Director**

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

**1. Qualification & Experience**

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



## **2. Attributes/Qualities**

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

- Respect for and strong willingness to imbibe the Company's Core Values.
  - Honesty and Professional integrity.
  - Strategic capability with business vision.
  - Entrepreneurial spirit and track record of achievement.
  - Ability to be independent
  - Capable of lateral thinking.
  - Reasonable financial expertise.
  - Association in the fields of business/corporate world/Finance/education/community service/Chambers of Commerce & industry.
  - Effective review and challenge to the performance of management.
3. In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws and regulations.
4. The incumbent should not be disqualified for appointment as a Director pursuant to the provisions of the Act or other applicable laws & regulations.

## **E. Directors' Compensation**

The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval by the Board.

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

## **F. Evaluation**

The Committee will review the performance of Directors as per the structure of performance evaluation.

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

- a) **Performance evaluation of all individual Directors:** It shall be done annually by the Nomination and Remuneration Committee (NRC) as per the structure of performance evaluation (as per Annexure I & II). The outcome of the evaluation shall be shared by the Chairman of NRC with the Board.
- b) **Performance evaluation of Independent Directors:** It shall be done, annually and at the time of their re-appointment, by NRC for deciding whether to extend or continue the term of appointment of independent directors. Based upon the recommendations of the NRC, the Board of Directors shall decide to continue their appointment or consider them for reappointment.

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

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

- d) **Performance evaluation of Board Committees:** The Board shall review the performance of all its committees annually on criteria for evaluation as specified in annexure III (Part - B).
- e) **Performance evaluation by independent directors at their separate meeting :** The Independent Directors in their separate meeting shall review performance of non-independent directors, Board as a whole, the Chairman of the company, taking into account the views of executive directors and non-executive directors;

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

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

#### **G. Board Diversity**

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

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

The eligibility criteria for appointment of key managerial personnel shall be in accordance with the job description of the relevant position.

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

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

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

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

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the respective reporting managers/HODs of various departments. Decision on annual increments shall be made on the basis of this appraisal. The remuneration would be benchmarked intermittently with a basket of identified companies comparable to the Company.

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

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

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

**Performance Evaluation of Executive Directors**

**Financial Year/Period : .....**

**Name of Director : .....**

**Type of Directorship : Executive Director**

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

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

**Name of Director : .....**

**Signature : .....**

**Date & Place : .....**

**Performance Evaluation of Independent Directors/ Non-Executive Directors**
**Financial Year/Period : .....**
**Name of Director :**
**Type of Directorship : Independent Directors/ Non-Executive Director**
**Assessment of the following Roles/Attributes as performed by or observed in the Key Managerial Personnel as a team whose performance is under evaluation :**

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

**Name of Director :** .....

**Signature :** .....

**Date & Place :** .....

**CRITERIA FOR EVALUATION OF THE BOARD OF DIRECTORS**
**A:**

Performance of	Evaluation Criteria
Board as a whole	<ul style="list-style-type: none"> <li>Discharge of duties and responsibilities under the Companies Act and Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Fulfilment of role of the Board (for instance guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc.).</li> <li>Number of Board Meetings held during the year.</li> </ul>

**B:**

Performance of	Evaluation Criteria
Board Committees	<ul style="list-style-type: none"> <li>Fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the Listing Regulations.</li> <li>Number of Committee Meetings held during the year.</li> </ul>

**For and on behalf of the Board of Directors**
**Kartik Bharat Ram  
Chairman (DIN 00008557)**
**New Delhi  
August 10, 2020**

**Dividend Distribution Policy**

<b>OBJECTIVES</b>	This Policy shall provide the underlying philosophy, rationale and guidelines to distribute the surplus generated by the company, among its shareholders by way of cash Dividend including interim Dividend.
<b>PHILOSOPHY</b>	The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for making long term investments in its subsidiaries/ group Companies and / or providing loans to these subsidiaries/ group Companies and thereafter distributing the surplus profits in the form of dividend to the shareholders.
<b>KEY PROCESSES THE GUIDELINES GOVERNS</b>	Finance and Secretarial
<b>REGULATORY FRAMEWORK</b>	This Dividend Distribution Policy has been formulated in line with Clause 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which require the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend distribution policy which shall be disclosed in their annual reports and on their websites.
<b>PARAMETERS FOR DECLARATION OF DIVIDEND</b>	<p>Board of Directors of the Company shall consider the following parameters for declaration of Dividend :-</p> <p><b><u>Financial Parameters/Internal Factors</u></b></p> <ul style="list-style-type: none"> <li>• Standalone and Consolidated profit after tax</li> <li>• Resources required to fund acquisitions and/or new businesses</li> <li>• Return on Capital Employed</li> <li>• Cost of borrowings</li> <li>• Cash flow required to meet contingencies</li> <li>• Outstanding borrowings and their servicing</li> <li>• Covenants in the financial facilities agreements</li> <li>• Past Dividend trends</li> </ul> <p><b><u>External Factors</u></b></p> <ul style="list-style-type: none"> <li>• Prevailing statutory requirements, regulatory conditions or restrictions laid down under applicable laws including tax laws.</li> <li>• Dividend pay-out ratios of comparable companies.</li> <li>• Macroeconomic conditions</li> <li>• Expectations of major stakeholders including small shareholders.</li> </ul>
<b>CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND</b>	<p>Shareholders may not expect Dividend under the following circumstances :-</p> <ul style="list-style-type: none"> <li>• Whenever it undertakes long term investments in the securities of Subsidiaries/ group Companies.</li> <li>• Whenever it undertakes loans to Subsidiaries/ group Companies</li> <li>• Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;</li> <li>• Whenever it proposes to utilise surplus cash for buy-back of securities</li> <li>• In the event of inadequacy of profits or whenever the Company has incurred losses; or</li> <li>• Any other event in which the Board of Directors may deem it fit to not declare dividend.</li> </ul>

<b>UTILISATION OF RETAINED EARNINGS</b>	<p>The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:</p> <ul style="list-style-type: none"> <li>• long term investments in the securities of Subsidiaries/ group Companies.</li> <li>• loans to Subsidiaries/ group Companies</li> <li>• Diversification of business;</li> <li>• Mergers and acquisitions;</li> <li>• Long term strategic plans;</li> <li>• Where the cost of debt is expensive;</li> <li>• Other such criteria as the Board may deem fit from time to time.</li> </ul>
<b>PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES</b>	<ul style="list-style-type: none"> <li>• Presently, the Authorised Share Capital of the Company is divided into equity share of Rs. 10 each and Preference shares of Rs. 10 each. At present, the issued and paid-up share capital of the Company comprises equity shares and preference shares.</li> <li>• The Company shall first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend would be declared on equity shares.</li> </ul>
<b>PROCEDURE</b>	<ul style="list-style-type: none"> <li>• The Whole-time Director, CFO &amp; Company Secretary of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.</li> <li>• The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.</li> <li>• Pursuant to the provisions of applicable laws and this Policy, interim Dividend will be approved by the Board of Directors and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.</li> <li>• The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.</li> </ul>
<b>DISCLOSURE</b>	<ul style="list-style-type: none"> <li>• Company shall make appropriate disclosures as required under SEBI Regulations, Companies Act, 2013 and other applicable laws.</li> </ul>
<b>GENERAL</b>	<ul style="list-style-type: none"> <li>• This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.</li> <li>• The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.</li> <li>• In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.</li> </ul>

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

**Kartik Bharat Ram  
Chairman (DIN 00008557)**

**New Delhi  
August 10, 2020**

**Annexure III to the Board's Report**

To  
The Members  
Kama Holdings Limited

We have examined the compliance of conditions of Corporate Governance by Kama Holdings Limited ("the Company"), for the financial year ended March 31, 2020, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

**For Ekta Sharma & Associates  
Company Secretaries  
Firm Registration No.: S2008HR602800**

**Date: July 03, 2020  
Place: Gurugram**

**Ekta Sharma  
Membership No. A41370  
CoP No.: 20529**

**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

**KAMA Holdings Limited**

(CIN: L92199DL2000PLC104779)

The Galleria, DLF Mayur Vihar,

Unit No. 236 & 237, 2<sup>nd</sup> Floor, Mayur Place,

Mayur Vihar Phase-I Extension, New Delhi-110091.

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

We report that-

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) Some of the books and papers were verified through online means due to the prevailing lockdown (COVID-19) and due efforts have been made by the Company to make available all the relevant documents & records and by the Auditors to conduct and complete the audit in aforesaid lockdown conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, where applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) \*The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;

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

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India with which the Company has generally complied with.

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

(vi) The Company is carrying on the business of investment in the shares of the group companies. As informed by the management, Master Circular on Regulatory Framework for Core Investment Companies (CICs) of Reserve Bank of India (RBI) is applicable on the Company, however, the Company is not required to register as CIC-ND-SI with the RBI as the Company is not accessing any public funds.

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

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

Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

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

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

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

**New Delhi**  
**July 03, 2020**

**Devesh Kumar Vasisht**  
**Partner**  
**CP No.: 13700, FCS No. F8488**  
**UDIN: F008488B000411187**

**Annexure V to the Board's Report**
**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

S. No.	Name	Age	Designation	Remuneration (Rs. in Lakhs)	Qualification	Exp. (in Years)	Date of Joining	Last Employment
1.	Ekta Maheshwari	46	Whole-time Director, CFO & Company Secretary	19.51	PGDBM, M.Phil. (Commerce), ACS, LLB	18	1.4.2019	SRF Ltd.
2.	Anoop K Joshi	60	President	12.00	FCS, FCA	36	1.4.2019	SRF Ltd.

Note : 1. Remuneration comprises salary, bonus, allowances, perquisites, leave encashment, retention pay and Company's contribution to Provident Fund and Gratuity. 2. All appointments are contractual in nature. 3. There are no employees in the services of the Company within the category covered by Section 197(12) read with rule 5(2)(i) to (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. 4. Mrs. Ekta Maheshwari, Whole-time Director, CFO & Company Secretary is not related to any other Director of the Company.

**For and on behalf of the Board of Directors**  
**Kartik Bharat Ram**  
**Chairman**  
**(DIN 00008557)**

**New Delhi**  
**August 10, 2020**

**Annexure VI to Board's Report**
**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Whole Time Director, CFO and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

S. N.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (Rs./Lakhs)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1	Mrs. Ekta Maheshwari (Whole Time Director, CFO & Company Secretary#)	19.51	NA	1.24
2	Mr. Kartik Bharat Ram (Non-Executive Chairman, & Promoter)	0.60	50%	0.04
3	Mr Amitav Virmani (Non-Executive Independent Director)	0.75	29.31%	0.05
4	Mr Jagdeep Singh Rikhy (Non-Executive Independent Director)*	0.20	NA	0.01
5	Mr. Ashish Bharat Ram (DIN 00671567) (Non-Executive Director, & Promoter)	0.70	311.76%	0.04

S. N.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (Rs./Lakhs)	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
6	Ms. Ira Gupta (Non-Executive Independent Director)	0.53	253.33%	0.03
7	Mr. Dharendra Datta (Non-Executive Independent Director)**	0.10	(60)%	0.01

# Appointed wef April 01,2019

\*Appointed as Director w.e.f November 13, 2019

\*\*Resigned as Director w.e.f. November 13, 2019

- (ii) The median remuneration of employees of the Company as on March 31, 2020 was Rs.15.75 Lakhs as compared to Rs. 51.5 Lakhs as on March 31, 2019. The decrease in median remuneration was 69.40% as compared to 2018-19.
- (iii) There were two permanent employees on the rolls of the Company as on March 31, 2020.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration -  
Both the employees were appointed w.e.f April 1, 2019, Hence not applicable.
- (v) It is hereby affirmed that the remuneration paid is as per the Nomination, Appointment and Remuneration Policy of the Company.

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

**Kartik Bharat Ram**  
Chairman  
(DIN 00008557)

**New Delhi**  
**August 10, 2020**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2020 [Pursuant to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
i)	CIN	L92199DL2000PLC104779
ii)	Registration Date	March 28, 2000
iii)	Name of the Company	KAMA Holdings Limited
iv)	Category/Sub-category of the Company	Public Company/Limited by shares
v)	Address of the Registered Office and contact details	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091 Tel : +91 11 49482870 Fax: +91 11 49482900
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	KFin Technologies Private Limited Karvy Selenium Tower-B Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Hyderabad 500 032 Tel No.: +91 040 6716 2222 Fax No. : +91 040 2300 1153 E-mail : <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>
<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
	All the business activities contributing 10% or more of the total turnover of the Company	As per Attachment A
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment B
<b>IV.</b>	<b>SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoter's Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
<b>V.</b>	<b>INDEBTEDNESS</b>	There is no indebtedness of the Company, including interest outstanding/accrued but not due for payment, as on March 31, 2020
<b>VI.</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
i)	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment H
ii)	Remuneration to other Directors	As per Attachment I
iii)	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	There is no Key Managerial Personnel other than Mrs. Ekta Maheshwari Whole Time Director, CFO & Company Secretary
<b>VII.</b>	<b>PENALTIES/PUNISHMENT/COMPOUNDINGM OF OFFENCES</b>	As per Attachment J

**ATTACHMENT A**
**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the product/ service *	% to total turnover of the Company
1.	Activities of Holdings Companies	642	100%

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

**ATTACHMENT B**
**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. N.	Name of Company	Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1.	SRF Limited	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091	L18101DL1970PLC005197	Subsidiary	52.28	2(87)(ii)
2.	SRF Transnational Holdings Ltd	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091	U65993DL1984PLC196620	Subsidiary	100.00	2(87)(ii)
3.	KAMA Realty (Delhi) Ltd.	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091	U70101DL2007PLC160735	Subsidiary	100.00	2(87)(ii)
4.	Shri Educare Ltd	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091	U80903DL2008PLC183146	Subsidiary	100.00	2(87)(ii)
5.	Shri Educare Maldives Pvt. Ltd	Ghiyasuddin International School, Ameenee Magu, Male', Maldives	N.A.	Subsidiary	100.00	2(87)(ii)
6.	KAMA Real Estate Holdings LLP	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091	AAH-9970	Subsidiary	100.00	2(87)(ii)
7.	SRF Holiday Home Ltd.	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091	U45200DL2006PLC156147	Subsidiary	52.28	2(87)(ii)
8.	SRF Global B.V.	Keizersgracht 391A, 1016EJ, Amsterdam, the Netherlands	N.A.	Subsidiary	52.28	2(87)(ii)
9.	SRF Industries (Thailand) Ltd.	D-20, Hemraj Eastern Seaboard Industrial Estate, 112 Moo 3, Tambon Tasith, Amphur Pluakdaeng, Rayong Province, Thailand	N.A.	Subsidiary	52.28	2(87)(ii)

S. N.	Name of Company	Address of Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
10.	SRF Flexipak (South Africa) (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	52.28	2(87)(ii)
11.	SRF Industex Belting (Pty) Ltd.	5, Eddie Hagan Drive, Cato Ridge, KwaZulu-Natal, South Africa	N.A.	Subsidiary	52.28	2(87)(ii)
12.	SRF Europe Kft	1053, Karolyi utca 12. 3. Emelet, Budapest Hungary`	N.A.	Subsidiary	52.28%	2(87)(ii)

**ATTACHMENT C**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
(1)	INDIAN									
(a)	Individual /HUF	4839446	0	4839446	75.00	0	0	0	0.00	-75.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	6	0	6	0.00	6	0	6	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	4839446	0	4839446	75.00	75.00
	<b>Sub-Total A(1) :</b>	<b>4839452</b>	<b>0</b>	<b>4839452</b>	<b>75.00</b>	<b>4839452</b>	<b>0</b>	<b>4839452</b>	<b>75.00</b>	<b>0.00</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>4839452</b>	<b>0</b>	<b>4839452</b>	<b>75.00</b>	<b>4839452</b>	<b>0</b>	<b>4839452</b>	<b>75.00</b>	<b>0.00</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	24747	667	25414	0.39	222	442	664	0.01	-0.38
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	2650	0	2650	0.04	2590	0	2590	0.04	0.00

CATEGORY OF SHAREHOLDER		NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>27397</b>	<b>667</b>	<b>28064</b>	<b>0.43</b>	<b>2812</b>	<b>442</b>	<b>3254</b>	<b>0.05</b>	<b>-0.38</b>
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	540883	3172	544055	8.43	568080	2662	570742	8.85	0.41
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	303644	76617	380261	5.89	296413	55666	352079	5.46	-0.44
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	19312	0	19312	0.30	22360	0	22360	0.35	0.05
(c)	Others									
	CLEARING MEMBERS	796	0	796	0.01	177	0	177	0.00	-0.01
	I E P F	0	0	0	0.00	23089	0	23089	0.36	0.36
	NBFC	15	0	15	0.00	0	0	0	0.00	0.00
	NON RESIDENT INDIANS	634887	248	635135	9.84	634491	136	634627	9.84	-0.01
	NRI NON-REPATRIATION	4767	0	4767	0.07	6544	0	6544	0.10	0.03
	<b>OVERSEAS CORPORATE BODIES</b>	<b>0</b>	<b>292</b>	<b>292</b>	<b>0.00</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>0.00</b>	<b>0.00</b>
	TRUSTS	466	0	466	0.01	261	0	261	0.00	0.00
(d)	<b>Qualified Foreign Investor</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	Sub-Total B(2) :	1504770	80329	1585099	24.57	1551415	58494	1609909	24.95	0.38
	Total B=B(1)+B(2) :	1532167	80996	1613163	25.00	1554227	58936	1613163	25.00	0.00
	Total (A+B) :	6371619	80996	6452615	100.00	6393679	58936	6452615	100.00	0.00
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>6371619</b>	<b>80996</b>	<b>6452615</b>	<b>100.00</b>	<b>6393679</b>	<b>58936</b>	<b>6452615</b>	<b>100.00</b>	

**ATTACHMENT D**
**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2019			Shareholding at the end of the year – 31.03.2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Arun Bharat Ram jointly with Mr. Ashish Bharat Ram jointly with Mr. Kartik Bharat Ram	12,09,863	18.75	0.00	0	0	0.00	0.00
2	Mr. Arun Bharat Ram jointly with Mr. Kartik Bharat Ram jointly with Mr. Ashish Bharat Ram	12,09,863	18.75	0.00	0	0	0.00	0.00
3	Mr. Ashish Bharat Ram jointly with Mr. Kartik Bharat Ram	12,09,860	18.75	0.00	0	0	0.00	0.00
4	Mr. Kartik Bharat Ram jointly with Mr. Ashish Bharat Ram	12,09,860	18.75	0.00	0	0	0.00	0.00
5	Karmav Real Estate Holdings LLP	2	0.00	0.00	2	0.00	0.00	0.00
6	Karm Farms LLP	2	0.00	0.00	2	0.00	0.00	0.00
7	Srishti Westend Greens Farms LLP	2	0.00	0.00	2	0.00	0.00	0.00
8	ABR Family Trust	0	0	0	4839446	75.00	0.00	75.00
	<b>Total</b>	<b>48,39,452</b>	<b>75.00</b>	<b>0.00</b>	<b>48,39,452</b>	<b>75.00</b>	<b>0.00</b>	<b>75.00</b>

**ATTACHMENT E**
**iii. Change in Promoters' Shareholding-**

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Cumulative Holding during the year (01/04/2019 to 31/03/2020)
		No. of Shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total Shares of the company			% of total Shares of the company
1	Mr. Arun Bharat Ram jointly with Mr. Ashish Bharat Ram jointly with Mr. Kartik Bharat Ram	12,09,863	18.75			18.75
		0	0	20-12-2019	Gifted/settled to Trust	0
2	Mr. Arun Bharat Ram jointly with Mr. Kartik Bharat Ram jointly with Mr. Ashish Bharat Ram	12,09,863	18.75			18.75
		0	0	20-12-2019	Gifted/settled to Trust	0
3	Mr. Kartik Bharat Ram jointly with Mr. Ashish Bharat Ram	12,09,860	18.75			18.75
		0	0	20-12-2019	Gifted/settled to Trust	0
4	Mr. Ashish Bharat Ram jointly with Mr. Kartik Bharat Ram	12,09,860	18.75			18.75
		0	0	20-12-2019	Gifted/settled to Trust	0
5	ABR Family Trust	0	0	01-Apr-19		
		4839446	75	20-12-2019	Increase - Promoters Shares Gifted/settled to Trust	75.00
		4839446	75	31-Mar-20		75.00
6	SRISHTI WESTEND GREENS FARMS LLP	2	0.0	01-Apr-19	No Change	0.0
		2	0.0	31-Mar-20		0.0
7	KARM FARMS LLP	2	0.0	01-Apr-19	No Change	0.0
		2	0.0	31-Mar-20		0.0
8	KARMAV REAL ESTATE HOLDINGS LLP	2	0.0	01-Apr-19	No Change	0.0
		2	0.0	31-Mar-20		0.0



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

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Holding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	VISTRA ITCL (INDIA) LIMITED	520818	8.07	01/04/2019			520818	8.07
				05/04/2019	1136	Purchase	521954	8.09
				12/04/2019	78	Purchase	522032	8.09
				19/04/2019	1930	Purchase	523962	8.12
				26/04/2019	143	Purchase	524105	8.12
				03/05/2019	66	Purchase	524171	8.12
				10/05/2019	81	Purchase	524252	8.12
				17/05/2019	160	Purchase	524412	8.13
				24/05/2019	3795	Purchase	528207	8.19
				31/05/2019	309	Purchase	528516	8.19
				07/06/2019	50	Purchase	528566	8.19
				14/06/2019	121	Purchase	528687	8.19
				21/06/2019	3444	Purchase	532131	8.25
				28/06/2019	619	Purchase	532750	8.26
				05/07/2019	1835	Purchase	534585	8.28
				12/07/2019	100	Purchase	534685	8.29
				19/07/2019	413	Purchase	535098	8.29
				26/07/2019	361	Purchase	535459	8.30
				02/08/2019	129	Purchase	535588	8.30
				09/08/2019	601	Purchase	536189	8.31
				16/08/2019	70	Purchase	536259	8.31
				23/08/2019	91	Purchase	536350	8.31
				30/08/2019	1224	Purchase	537574	8.33
				06/09/2019	240	Purchase	537814	8.33
				13/09/2019	115	Purchase	537929	8.34
				20/09/2019	183	Purchase	538112	8.34
				27/09/2019	524	Purchase	538636	8.35
				30/09/2019	91	Purchase	538727	8.35
				04/10/2019	16	Purchase	538743	8.35
				11/10/2019	100	Purchase	538843	8.35
		18/10/2019	2	Purchase	538845	8.35		
		25/10/2019	78	Purchase	538923	8.35		
		01/11/2019	82	Purchase	539005	8.35		
		08/11/2019	121	Purchase	539126	8.36		
		15/11/2019	15	Purchase	539141	8.36		
		22/11/2019	79	Purchase	539220	8.36		
		29/11/2019	136	Purchase	539356	8.36		
		06/12/2019	447	Purchase	539803	8.37		
		13/12/2019	131	Purchase	539934	8.37		
		03/01/2020	394	Purchase	540328	8.37		
		06/03/2020	113	Purchase	540441	8.38		
		20/03/2020	267	Purchase	540708	8.38		
		27/03/2020	150	Purchase	540858	8.38		
		540858	8.38	31/03/2020	-	-	540858	8.38

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Holding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total Shares of the company				No. of Shares	% of total Shares of the company
2	HARESH TIKAMDAS KESWANI	315125	4.88	01/04/2019			315125	4.88
				12/04/2019	53	Sale	315072	4.88
				31/12/2019	39	Sale	315033	4.88
				03/01/2020	339	Sale	314694	4.88
		314664	4.88	31/03/2020	30	Sale	314664	4.88
3	RICKY ISHWARDAS KIRPALANI	310157	4.81	01/04/2019			310157	4.81
		310157	4.81	31/03/2020	-	-	310157	4.81
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY	0	0.00	01/04/2019			0	0.00
		23089	0.36	31/03/2020	-	-	23089	0.36
5	KAVI KAPUR	19312	0.30	01/04/2019			19312	0.30
				12/04/2019	200	Purchase	19512	0.30
				10/05/2019	370	Purchase	19882	0.31
				24/05/2019	352	Purchase	20234	0.31
				05/07/2019	100	Purchase	20334	0.32
				12/07/2019	200	Purchase	20534	0.32
				16/08/2019	200	Purchase	20734	0.32
				27/09/2019	20	Purchase	20754	0.32
				08/11/2019	50	Sale	20704	0.32
				29/11/2019	100	Sale	20604	0.32
				06/12/2019	29	Sale	20575	0.32
				10/01/2020	200	Purchase	20775	0.32
				17/01/2020	250	Purchase	21025	0.33
				24/01/2020	40	Purchase	21065	0.33
				31/01/2020	20	Purchase	21085	0.33
				07/02/2020	90	Purchase	21175	0.33
				14/02/2020	450	Purchase	21625	0.34
		21/02/2020	735	Purchase	22360	0.35		
		31/03/2020	-	-	22360	0.35		
6	GLOBE COMMODITIES LTD	0	0.00	01/04/2019			0	0.00
				27/09/2019	14551	Purchase	14551	0.23
				13/12/2019	5100	Sale	9451	0.15
				20/12/2019	5112	Purchase	14563	0.23
				31/03/2020			14563	0.23
7	BIPIN KOCHAR	7741	0.12	01/04/2019	-	-	7741	0.12
		7741	0.12		-	-	7741	0.12
8	SAMEER GUPTA	7325	0.11	01/04/2019	217	Sale	7325	0.11
				05/04/2019	2000	Purchase	9325	0.14
				05/04/2019	2000	Sale	7325	0.11
				03/05/2019	25	Sale	7300	0.11
				31/03/2020	-	-	7300	0.11
9	URMIL BATRA	6332	0.10	01/04/2019	-	-	6332	0.10
		6332	0.10	31/03/2020	-	-	6332	0.10
10	RUPA MUKESH BHAYANI	6100	0.09	01/04/2019	-	-	6100	0.09
		6100	0.09	31/03/2020	-	-	6100	0.09

**v. Shareholding of Directors and Key Managerial Personnel**

Sr. No	Shareholder's Name	Shareholding		Date	Increase/ Decrease in Shareholding No. of Shares	Reason	Cumulative Holding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Kartik Bharat Ram jointly with Ashish Bharat Ram	12,09,860	18.75	01-Apr-19 20-Dec-19 31-Mar-20	12,09,860	Gifted/settled to ABR Family Trust (Trustees- Arun Bharat Ram, Ashish Bharat Ram and Kartik Bharat Ram)	0	0
2	Ashish Bharat Ram jointly with Kartik Bharat Ram	12,09,860	18.75	01-Apr-19 20-Dec-19 31-Mar-20	12,09,860	Gifted/ settled to ABR Family Trust (Trustees- Arun Bharat Ram, Ashish Bharat Ram and Kartik Bharat Ram)	0	0
3	Ekta Maheshwari	1	-	01-Apr-19 31-Mar-20	-		1	-

**V. INDEBTEDNESS**

There is no indebtedness of the Company, including interest outstanding/accrued but not due for payment, as on March 31, 2020

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**i). Remuneration to Managing Director, Whole-time Director and/or Manager**
**(Rs./Lakhs)**

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mrs. Ekta Maheshwari, Whole Time Director, CFO and Company Secretary	
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	17.58	17.58
	b) Value of perquisites u/s 17(2) of the Income – tax Act, 1961	0.28	0.28
	c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- As % of profit	-	-
	- Others	-	-
5	Others	1.83	1.83
	<b>TOTAL (A)</b>	<b>19.69</b>	<b>19.69</b>
	Ceiling as per the Act	Rs. 201.59 Lakhs (being 5% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)	

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**ii) Remuneration to other Directors**
**(Rs./Lakhs)**

S. No.	Particulars of Remuneration	Kartik Bharat Ram	Ashish Bharat Ram	Ira Gupta	Amitav Virmani	Dhirendra Datta (upto November 13, 2019)	Jagdeep Singh Rikhy (Appointed wef November 13, 2019)	Total
1	Independent Directors		-	-				
	-Fee for attending Board / committee meetings		-	0.53	0.75	0.10	0.20	<b>1.58</b>
	-Commission	-	-	-	-	-	-	-
	-Others	-	-	-	-	-	-	-
2	Other Non-Executive Directors		-	-				
	-Fee for attending Board / committee meetings	0.60	0.70	-	-	-	-	<b>1.30</b>
	-Commission	-	-	-	-	-	-	-
	-Others	-	-	-	-	-	-	-
	<b>TOTAL (B)=(1+2)</b>	<b>0.60</b>	<b>0.70</b>	<b>0.53</b>	<b>0.75</b>	<b>0.10</b>	<b>0.20</b>	<b>2.88</b>
	Ceiling as per the Act	Rs. 40.32 Lakhs (being 1% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						
	<b>TOTAL MANAGERIAL REMUNERATION*</b>	<b>22.57</b>						
	Overall Ceiling as per the Act	Rs. 443.50 Lakhs (being 11% of the net profits of the Company calculated as per Section 197 of the Companies Act, 2013)						

\* Total remuneration to Whole-time Director, CFO and Company Secretary and other Directors.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

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

New Delhi  
August 10, 2020

**Kartik Bharat Ram**  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year the Company had earned income by way of dividend and interest income aggregating to Rs. 4206.86 lakhs. Net profit for the year amounted to Rs. 4037.65 lakhs as compared to Rs. 3669.40 lakhs in the previous year. The share capital of the company as on 31<sup>st</sup> March, 2020 stood at Rs. 1937.20 lakhs and Reserves and Surplus at Rs. 57042.37 lakhs (including capital reserve of Rs. 20345.06 lakhs).

During FY20, the return on net worth of the Company is 7.08% vis-à-vis 6.68% in FY19, change due to increased operations and better operating margins. There were no significant change in the key financial ratios as prescribed in the Listing Regulations.

### OUTLOOK

#### Major Activities

The Company is a Core Investment Company (CIC) within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011 which does not require registration with Reserve Bank of India under the said Directions.

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

The Company has five wholly owned subsidiaries viz. KAMA Realty (Delhi) Ltd. which is a company engaged in the business of acquisition and renting of properties. Shri Educare Ltd. which is engaged in the field of education, Shri Educare Maldives Pvt. Ltd. (a Wholly owned subsidiary of Shri Educare Ltd.) having a public private partnership with Government of Maldives for management of a Government School. SRF Transnational Holdings Ltd., a registered non-deposit taking NBFC engaged in the business of investment in shares and other securities and KAMA Real Estate Holdings LLP, a limited liability partnership between KAMA Realty (Delhi) Ltd. and Shri Educare Ltd.

The Company would continue to consolidate its stake in SRF and the aforesaid subsidiaries.

#### Future Prospects

##### SRF Ltd. and its subsidiaries

The business prospects of SRF Ltd. and its subsidiaries has been discussed in the Management Discussion and Analysis forming part of the Directors' Report of that company in the Annual Report for 2019-20 which is available on its website [www.srf.com](http://www.srf.com).

##### Other subsidiaries

##### Shri Educare Ltd. (SEL)

During the year, SEL added 4 (four) K-12 schools in Pune, Bengaluru, Greater Noida & Hyderabad and 3 (three) pre-schools in Kolkata, Jaipur & Siliguri to the portfolio of schools being managed by SEL.

Going forward, SEL plans to continue to expand in the school consultancy vertical, where the demand for quality schools, both in India and abroad, continues to be high. SEL plans to leverage this demand and plan to increase the number of schools under consultancy by at least two in 2020-21.

During the year, SEL has earned a revenue of Rs. 1572.63 Lakhs (Prev. Year Rs. 1798.09) lakhs mainly on account of project management fees and student fees and a profit/ (loss) after tax of (Rs. 161.24 Loss) (Prev Year Rs. 193.97 profit) Lakhs (including Deferred Tax and MAT Credit).

##### Shri Educare Maldives Pvt. Ltd. (SEMPL)

SEMPL has been managing a school under a public-private partnership with Maldives Government. This school is now a financially self-sufficient school and this has been possible because the school has managed to establish itself as one of the best school in Maldives.

During 2019-20, SEMPL earned a revenue of MVR 462.75 Lakhs (INR Rs. 2135.32 Lakhs) (Prev Year MVR 438.46 Lakhs (INR Rs. 1875.38 Lakhs)) mainly on account of tuition fees and made a Profit of MVR 2.5441 (Rs. 11.74 Lakhs) (Prev Year MVR 2.045 Lakhs (Rs. 11.08 Lakhs)).

##### KAMA Realty (Delhi) Ltd. (KRDL)

KRDL is a company engaged in acquisition and rental of properties. During 2019-20, KRDL has earned a revenue of Rs. 758.05 lakhs (Previous year Rs. 760.85. lakhs) mainly on account of rental and interest income and profit after tax of Rs. 450.72 lakhs (PY Rs. 331.10 lakhs).

**SRF Transnational Holdings Ltd. (SRFT)**

SRFT is a registered non deposit taking NBFC engaged in the business of investment in shares and securities. During 2019-20, SRFT has earned a revenue of Rs. 468.07 lakhs (PY Rs. 467.76 lakhs) mainly on account of interest income and profit on sale of investments and profit after tax of Rs. 342.91 lakhs (PY Rs. 452.26 lakhs).

**KAMA Real Estate Holdings LLP (KREHL)**

KREHL is a limited liability partnership between KAMA Realty (Delhi) Ltd. and Shri Educare Ltd.

It is engaged primarily in acquisition and rental of properties. During 2019-20, KREHL has earned a revenue of Rs. 103.58 lakhs (Previous year Rs. 74.99 lakhs) mainly on account of dividend and profit/(loss) on investments and profit/(loss) after tax of Rs. (417.99 lakhs) (Previous year Rs. (33.79) lakhs).

**OPPORTUNITIES AND THREATS**

The Company holds significant investment in shares of SRF Ltd. The value of these investments is dependent on the performance of the investee company.

**RISKS AND CONCERNS**

The Company is mainly exposed to the risk of reduction in value of investments in shares of SRF Ltd. due to fall in the share price and Investee Company's performance.

**HUMAN RESOURCES**

Employee relations continued to remain cordial during the year under review. As on March 31, 2020, there were 2 employees, one of whom is a Key Managerial Personnel of the Company.

**ADEQUACY OF INTERNAL CONTROL SYSTEM**

Your Company's internal control systems and procedures are commensurate with the size of operations and adequate enough to meet the objectives of efficient use and safeguarding of assets, compliance with statutes, policies and procedures and proper recording of transactions.

**CAUTIONARY STATEMENT**

The Statement in this Management Discussion and Analysis Report describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

## Report on Corporate Governance- 2019-20

### Philosophy of the Company on Corporate Governance

For KAMA Holdings Limited (KAMA), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices — based on transparency and proper disclosures — ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

### Board of Directors

#### Composition of the Board

As on 31.03.2020, KAMA's Board consisted of six Directors. One Director is executive of the Company, three are independent and two are non-executive promoters. Table 1 gives the details of the Board during the year 2019-20.

**Table 1: Composition of the Board of Directors of KAMA Holdings Ltd. as on 31.03.2020**

Sl. No.	Name of Director	Category of Director	No. of other Directorships of Indian Public Ltd Company*	No. of Board-level Committees where chairperson or member (including KAMA)		Name of Listed Entities & Category of Directorship
				Chairperson	Member	
1	Mr Kartik Bharat Ram	Non-Executive Chairman, promoter	2	-	5	SRF Limited-Promoter, Executive Director
2	Mr. Ashish Bharat Ram	Non-Executive, Promoter	4	5	5	1. Transport Corporation of India Limited – Independent Director 2. SRF Limited – Promoter, Executive Director
3	Mr Amitav Virmani	Independent, Non-Executive	1	2	1	-
4	Ms. Ira Gupta	Independent, Non-Executive	0	-	2	-
5	Mr Jagdeep Singh Rikhy (appointed w.e.f 13.11.2019)	Independent, Non-Executive	0	-	1	-
6	Mrs. Ekta Maheshwari	Executive	1	-	3	-

Mr. Kartik Bharat Ram and Mr. Ashish Bharat Ram are related to each other.

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

Mr. Dharendra Datta resigned as Director w.e.f. 13.11. 2019

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board as follows :

Name of Director	Skills/Expertise/ Competencies
Mr. Kartik Bharat Ram	Accounting and finance, Leadership skills, Understanding of relevant laws, rules, regulation and policy
Mr. Ashish Bharat Ram	Accounting and finance, Leadership skills, Understanding of relevant laws, rules, regulation and policy
Mr. Amitav Virmani	Accounting and finance, Leadership skills, Understanding of relevant laws, rules, regulation and policy

Mrs. Ira Gupta	Accounting and finance, Leadership skills, Understanding of relevant laws, rules, regulation and policy
Mr. Jagdeep Singh Rikhy	Accounting and finance , Leadership skills, Understanding of relevant laws, rules, regulation and policy
Mrs. Ekta Maheshwari	Accounting and finance, Understanding of relevant laws, rules, regulation and policy

As required under Listing Regulations, the Company has obtained a certificate from a Practising Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

#### **Independent Directors on the Board are Non-Executive Directors**

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

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

The Board confirms that in its opinion, the independent directors fulfil the conditions specified in Listing Regulations and Companies Act, 2013 and are independent of the management.

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

#### **Independent Directors' Meeting**

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations a meeting of the Independent Directors of the Company was held on 14.02.2020 without the attendance of Non-Independent Directors and members of the management.

#### **Familiarisation Programme**

Your Company has put in place familiarisation programme for all its Directors including the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the familiarisation programme for the Independent Directors is available on the website of the Company [www.kamaholdings.com](http://www.kamaholdings.com)

#### **Number of Board Meetings**

During 2019-20, the Board of Directors met five times on the dates as referred below in Table 2. The gap between any two Board meetings did not exceed 120 days.

**Table 2: Attendance of directors in Board Meetings and Annual General Meeting (AGM) held during the year in 2019-20**

Name of the Director	Date of Board Meeting and Attendance of Directors					Attended last AGM
	30.05.2019	14.08.2019	13.11.2019	14.02.2020	25.02.2020	30.09.2019
Mr Kartik Bharat Ram	Yes	No	No	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Yes	Yes	No	Yes	Yes	No
Mr Amitav Virmani	Yes	Yes	Yes	Yes	No	No
Ms. Ira Gupta	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Ekta Maheshwari	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Jagdeep Singh Rikhy#	NA	NA	NA	Yes	Yes	NA
Mr. Dharendra Datta##	Yes	Yes	No	NA	NA	No

# Mr. Jagdeep Singh Rikhy appointed with effect from 13.11.2019

## Mr. Dharendra Datta resigned w.e.f. 13.11.2019



### Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors during 2019-20.

**Table 3: Remuneration Paid or Payable to Directors during 2019-20 (Rs. in lakhs)**

Name of Director	Salary & Perquisites#	Sitting fees for Board and Committee meetings*	Deferred Benefits (PF, superannuation and Gratuity)	Total
Mr Kartik Bharat Ram	-	0.60	-	0.60
Mr Ashish Bharat Ram	-	0.70	-	0.70
Mr Amitav Virmani	-	0.75	-	0.75
Mrs. Ira Gupta	-	0.53	-	0.53
Mrs. Ekta Maheshwari	17.95	-	1.56	19.51
Mr. Jagdeep Singh Rikhy (appointed wef 13.11.2019)	-	0.20	-	0.20
Mr Dhirendra Datta (resigned wef 13.11.2019)	-	0.10	-	0.10
<b>Total</b>	<b>17.95</b>	<b>2.88</b>	<b>1.56</b>	<b>22.39</b>

\* Includes sitting fee for attending the meetings of the Board of Director and Committee Meetings

# Value of perquisites on actual basis.

The criteria of making payment to Non-Executive Directors has been disclosed as a part of Boards' Report and has also been disclosed on the website of the Company [www.kamaholdings.com](http://www.kamaholdings.com)

**Table 4: Details of Service Contracts**

Name of Director	Tenure	Notice Period	Severance Fee
Ms Ekta Maheshwari	5 years w.e.f 01.04.2019	1 month by either party	Nil

### Shareholding of non-executive Directors

As on 31.03.2020, Mr Kartik Bharat Ram holds 31,94,325 fully paid up 8% Non-cumulative Redeemable Preference Shares of Rs. 10 each. Mr Ashish Bharat Ram holds 31,94,325 fully paid up 8% Non-cumulative Redeemable Preference Shares of Rs. 10 each. None of the other non-executive director holds any shares of the Company.

### Information Supplied to the Board

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

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the audit committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

In addition to the above, the Board is also provided with the information as required by Companies Act, 2013.

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

As per Regulation 24 of the Listing Regulations, the minutes of the Board meetings of a company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are required to be placed before the Board.

SRF Ltd. which is a company listed on BSE Limited and National Stock Exchange of India Limited is one of the subsidiaries of the Company. Consequently, the subsidiaries of SRF Ltd. all of whom are unlisted are also subsidiaries of the Company. As per sub-regulation 7 to Regulation 24 of the Listing Regulations, where a listed holding company has a listed subsidiary which is itself a holding company, the provisions of Regulation 24 of the Listing Regulations shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

As such the information relating to the unlisted subsidiaries of SRF Ltd. were placed before the Board of that company.

#### **Code of Conduct**

The Company's Board has laid down a code of conduct for all Board members and senior management of the company. The Code of Conduct is available on the website of the Company, [www.kamaholdings.com](http://www.kamaholdings.com). All Board members have affirmed compliance with the code of conduct. A declaration signed by the Whole-time Director, CFO & Company Secretary to this effect is given at the end of this report.

#### **Risk Management**

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

#### **Statutory Committees of the Board**

##### **a) Audit Committee**

###### **i) Terms of Reference**

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

In addition, the Committee also mandatorily reviews:

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

###### **ii) Composition of Audit Committee and Attendance of members in Audit Committee Meetings held during the year**

As on 31.03.2020, the Audit Committee of KAMA comprised of three Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Regulation 18 of Listing Regulations.

Table 5 provides details of the Audit Committee meetings held during the year 2019-20 and attendance of its members.

**Table 5: Attendance Record of Audit Committee Meetings during 2019-20**

Name of Members	Category	Date of Audit Committee Meeting and Attendance of Members			
		30.05.2019	14.08.2019	13.11.2019	14.02.2020
Mr Amitav Virmani (Chairman)	Independent, Non-Executive	Yes	Yes	Yes	Yes
Ms. Ira Gupta	Independent, Non-Executive	Yes	Yes	Yes	Yes
Mr Dharendra Datta*	Independent, Non-Executive	Yes	Yes	No	NA
Mr. Jagdeep Singh Rikhy**	Independent, Non-Executive	NA	NA	NA	Yes

\*Resigned w.e.f 13.11.2019

\*\*Inducted as member of Audit Committee w.e.f 13.11.2019

All the members of the Audit Committee are financially literate while Mr Amitav Virmani, Chairman of the Audit committee is a holder of Masters degree in Business Administration from University of North Carolina and has experience in the area of marketing and general management. Company Secretary is the Secretary to the Committee.

#### b) Nomination and Remuneration Committee

##### i) Terms of Reference

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

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

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

As on 31.03.2020, this Committee comprised three Directors, Mr Amitav Virmani (Chairman), Mr Ashish Bharat Ram and Ms Ira Gupta, majority of whom are independent. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

Table 6 provides details of the Nomination and Remuneration Committee meetings held during the year 2019-20 and attendance of its members.

**Table 6: Attendance Record of Nomination and Remuneration Committee Meetings during 2019-20**

Name of Members	Category	Date of NRC Meeting and Attendance of Members		
		30.05.2019	13.11.2019	14.02.2020
Mr Amitav Virmani	Independent, Non-Executive	Yes	Yes	Yes
Mr. Ashish Bharat Ram	Non-executive, promoter	Yes	No	yes
Ms. Ira Gupta	Independent, Non-Executive	Yes	Yes	Yes

**iii) Annual Evaluation of Board, Committees and Individual Directors**

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

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

**iv) Nomination, Appointment and Remuneration Policy**

The Company's Nomination, Appointment and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and Functional Heads and other employees forms part of the Board's Report and is accessible on Company's website [www.kamaholdings.com](http://www.kamaholdings.com).

**c) Stakeholders Relationship Committee**

As on 31.03.2020, this Committee comprised of three members. Mr Ashish Bharat Ram, Chairman and Mr Kartik Bharat Ram, Member of the Committee are non-executive promoter Directors and Mr Amitav Virmani, member of the Committee is non-executive and independent Director. Table 7 provides details of the Stakeholders Relationship Committee meetings held during the year 2019-20 and attendance of its members.

**Table 7: Attendance Record of Stakeholders Relationship Committee Meetings during 2019-20**

Name of Members	Category	Date of Stakeholders Relationship Committee Meeting and Attendance of Members									
		02.04.2019	17.04.2019	24.05.2019	15.06.2019	10.07.2019	20.08.2019	17.09.2019	22.11.2019	16.12.2019	02.03.2020
Mr. Ashish Bharat Ram (Chairman)	Non-executive, promoter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr Amitav Virmani	Independent, Non-Executive	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr Kartik Bharat Ram	Non-executive, promoter	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

To expedite the process of transfer, Company Secretary has been authorised by the Board to consider and approve the registration of transfer and transmission of shares upto a limit of 500 shares in any one case.

As on 31.03.2020, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 8 gives data on the shareholder/investor complaints received, and redressed, during the year 2019-20.

**Table 8: Shareholder and Investor Complaints received and redressed during 2019-20**

Total Complaints Received	Total Complaints Redressed	Complaints not solved to the satisfaction of Shareholders	Pending as on 31.03.2020
30	30	Nil	Nil

**d) Committee of Directors – Financial Resources**

As on 31.03.2020, this Committee comprised of three Directors— Mr. Kartik Bharat Ram, Mr. Ashish Bharat Ram and Ms. Ekta Maheshwari.

Table 9 provides details of the Committee of Directors- Financial Resources meetings held during the year 2019-20 and attendance of its members.

**Table 9: Attendance Record of Committee of Directors- Financial Resources Meetings during 2019-20**

Name of Members	Category	Date of Committee of Directors- Financial Resources Meeting and Attendance of Members	
		30.09.2019	20.02.2020
Mr. Kartik Bharat Ram	Non-executive, promoter	Yes	Yes
Mrs. Ekta Maheshwari	Whole Time Director	Yes	Yes
Mr Ashish Bharat Ram	Non-executive, promoter	No	Yes

**e) Risk Management Committee**

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors has constituted the Risk Management Committee wef May 30, 2019 comprising of Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Mrs. Ekta Maheshwari as Members. The composition of the Committee is in conformity with the Listing Regulations.

**Attendance Record of Risk Management Committee Meetings during 2019-20**

Name of Members	Category	Date of Risk Management Committee Meeting and Attendance of Members
		31.12.2019
Mr Ashish Bharat Ram	Non-executive, promoter	Yes
Mr Kartik Bharat Ram	Non-executive, promoter	Yes
Mrs. Ekta Maheshwari	Whole Time Director	Yes

**Management**
**Management Discussion and Analysis**

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

**Disclosure Requirements**

- During the year 2019-20, the Company had not entered into any materially significant related party transaction. Transactions with related parties are disclosed in Note No 27 to the Financial Statements. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The said policies are available on the website of the Company at the <http://www.kamaholdings.com/InvCodesPolicies.aspx> . Policy of determining 'material subsidiaries' is available on the website of the Company at the <http://www.kamaholdings.com/InvCodesPolicies.aspx> .
- The equity shares of the Company are listed on BSE Limited and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- Vigil Mechanism Policy : Section 177 (9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations requires that a Company shall have a vigil mechanism for directors and employees for reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company is following such a policy and crux of which is disclosed by the Company on its website at the <http://www.kamaholdings.com/InvCodesPolicies.aspx> . No personnel has been denied access to the Audit Committee for raising his/her concern under this policy during financial year 2019-20.
- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.
- This Corporate Governance Report of the Company for the year 2019-20 is in compliance with the requirements of Listing Regulations, as applicable.

**Non-Mandatory Requirement**

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

- **The Board:** The Company has a non-executive Chairman. The Company is not maintaining his office or making any reimbursement of expenses incurred in performance of his duties;
- **Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers, uploaded on Company's website [www.kamaholdings.com](http://www.kamaholdings.com)
- **Modified opinion(s) in audit report:** The Company already has moved to a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements;
- **Separate posts of Chairperson and CEO:** Mr. Kartik Bharat Ram is the Chairman and Mrs. Ekta Maheshwari is the Whole Time Director, CFO & Company Secretary of the Company;
- **Reporting of Internal Auditor:** The Internal Auditor of the Company has direct access to the Audit Committee.

#### **CEO/CFO certification**

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

#### **Appointment/ Reappointment/ Resignation of Directors**

Mr. Ashish Bharat Ram (DIN: 00671567) is retiring by rotation and being eligible, offer himself for re-appointment.

During the year, Mr. Dharendra Datta (Independent Director) resigned w.e.f 13.11.2019 due to preoccupation and there were no material reasons other than this.

Subject to approval of shareholders, the Board at its meeting held on 13.11.2019 appointed Mr. Jagdeep Singh Rikhy (DIN: 00944954) as Additional Director (Independent) wef 13.11.2019.

The Board recommends the aforesaid appointment/re-appointments for shareholders' approval at this AGM.

Brief resumes of all the directors proposed to be appointed/ reappointed are given in the Notice of the 20<sup>th</sup> Annual General Meeting.

#### **Means of Communication with Shareholders**

Quarterly and Annual Results of KAMA are published in two national dailies, generally The Pioneer (in English) and Veer Arjun (in Hindi). In addition, these results are posted on the website of the Company, [www.kamaholdings.com](http://www.kamaholdings.com). The website also contains other information regarding KAMA available in the public domain.

During 2019-20, KAMA has not made any formal presentations to institutional investors or analysts. As and when it does, the presentations will also be posted on the Company's website.

#### **Last three Annual General Body Meetings**

The details of the last three AGMs are given in Table 10.

**Table 10 : Last three AGMs of the Company**

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>No. of Special Resolutions passed</b>
2017-18	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	28.09.2017	11.30 A.M	None
2018-19	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	28.09.2018	11.00 A.M	3
2019-20	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	30.09.2019	11.00 A.M	None

#### **Postal Ballot**

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

## Additional Shareholder Information

### 20<sup>th</sup> Annual General Meeting

Day & Date	Friday, October 30, 2020
Time	11.00 a.m.
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020. For details please refer to the Notice of this AGM
Mode	Video Conferencing

### Financial Year

April 1 to March 31

### Tentative Financial Calendar for Results, 2020-21

First Quarter	Second week of August 2020
Second Quarter	Second week of November 2020
Third Quarter	Second week of February 2021
Fourth Quarter and Annual	Fourth week of May 2021

### Book Closure Date

The Share Transfer Register of KAMA Holdings will remain closed from Friday 23<sup>rd</sup> October, 2020 to Friday 30<sup>th</sup> October, 2020. The preference dividend, when declared will be payable to the Preference Shareholders whose name stand on the Register of Preference Shareholders as on Friday, 23<sup>rd</sup> October, 2020.

### Interim Dividend Payment Date

Interim dividend of Rs. 30 per share (300 per cent) on the paid up equity capital of the Company absorbing Rs. 19.36 crores approx. were paid on 20.03.2020. No final dividend has been recommended on equity shares.

6% (Rs 0.60) Interim Dividend on 12919412 8% Non-cumulative Redeemable Preference Shares of the Company absorbing Rs. 0.77 Crores approx. were paid on 09.03.2020. Remaining 2% dividend on 8% Non-cumulative Redeemable Preference Shares will be for approval of shareholders in the forthcoming Annual General Meeting.

### Listing on Stock Exchanges in India

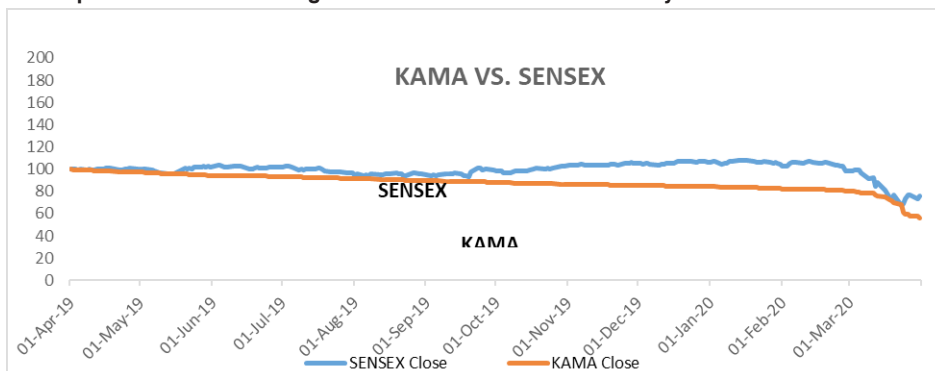
The shares of KAMA Holdings Ltd are listed on BSE Ltd. (Stock Code: 532468). The Company has paid the listing fees to BSE for the year 2020-21.

### Stock Market Data

Table 11 gives the monthly high and low quotations as well as the volume of shares traded at BSE during 2019-20.

**Table 11: Monthly Highs and Lows and Volumes Traded at the BSE, 2019-20**

Month	BSE High (Rs.)	BSE Low (Rs.)	Volume (No.)
Apr-19	6,050.05	5,200.00	4,937
May-19	6,300.00	5,025.00	10,221
Jun-19	6,299.95	5,250.00	9,584
Jul-19	5,360.00	4,725.00	2,975
Aug-19	5,400.00	4,525.00	4,086
Sep-19	5,500.00	4,800.00	2300
Oct-19	5,092.00	4,620.25	1042
Nov-19	5,481.00	4,805.10	3776
Dec-19	6,390.00	4,900.00	2063
Jan-20	6,140.00	5,300.00	2677
Feb-20	6,000.00	5,101.80	5681
Mar-20	5,400.00	3,100.00	2669

**Chart 1: Share prices of KAMA Holdings Ltd. Versus BSE Sensex for the year ended 31 March 2020**


Note: Both Sensex and KAMA Holdings Ltd share prices are indexed to 100 as on 1 April 2019

### Registrar and Share Transfer Agents

M/s KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited), Hyderabad are the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares.

### Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

### Depository System

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

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

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

### Dematerialisation of shares & liquidity

As on 31.03.2020 there were 3988 shareholders holding 63,93,679 shares in electronic form. This constitutes 99.09% of the total paid-up share capital of the Company.

### Distribution of shareholding as on 31 March 2020\*

Table 12 gives the distribution of shares according to shareholding class, while Table 13 gives the distribution of shareholding by ownership.

**Table 12: Pattern of shareholding by share class as on 31 March, 2020**

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Upto 500	5189	98.33	254166	3.93
501- 1000	38	0.72	25929	0.40
1001- 2000	18	0.34	26567	0.41



No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
2001- 3000	9	0.17	21472	0.33
3001- 4000	3	0.05	10031	0.15
4001- 5000	5	0.09	24477	0.37
5001- 10000	4	0.07	24836	0.38
10001 & Above	11	0.20	6065137	93.99
<b>Total</b>	<b>5,277</b>	<b>100.00</b>	<b>6,452,615</b>	<b>100.00</b>

\* including holdings by NSDL and CDSL

**Table 13: Pattern of shareholding by ownership as on 31 March, 2020**

S. N o	Description	No. of Holders	Total Shares	% Equity
1	BANKS	9	664	0.01
2	CLEARING MEMBERS	15	177	0.00
3	FOREIGN PORTFOLIO - CORP	2	2590	0.04
4	H U F	81	9119	0.14
5	I E P F	1	23089	0.36
6	BODIES CORPORATES	91	570742	8.85
7	NON RESIDENT INDIANS	21	634627	9.84
8	NRI NON-REPATRIATION	70	6544	0.10
9	OVERSEAS CORPORATE BODIES	1	30	0.00
10	PROMOTERS BODIES CORPORATE	3	6	0.00
11	PROMOTER TRUST	4	4839446	75.00
12	RESIDENT INDIVIDUALS	4975	365320	5.66
13	TRUSTS	4	261	0.00
	<b>Total:</b>	<b>5277</b>	<b>6452615</b>	<b>100.00</b>

**Details of Total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part**

Luthra & Luthra LLP, Chartered Accountant are the Statutory Auditors of the Company. During FY 2019-20, total fees paid by the Company and its subsidiaries on a consolidated basis to Luthra & Luthra LLP, Chartered Accountant is given below -

Name of Companies	Audit Fees	Total Fees (Rs.)
KAMA Holdings Limited	980,000	980,000
SRF Transnational Holdings Limited	200,000	200,000
KAMA Realty (Delhi) Limited	70,000	70,000
KAMA Real Estates Holdings LLP	50,000	50,000
Shri Educare Limited	200,000	200,000
<b>Total</b>	<b>1,500,000</b>	<b>1,500,000</b>

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year 2019-20**

No. of complaints filed during the financial year 0

No. of complaints disposed off during the financial year 0

No. of complaints pending as on the end of the financial year 0

**Credit Ratings**

Since the Company has not availed any credit facility during the year 2019-20, it has not opted for credit rating.

**Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, their conversion dates and likely impact on equity**

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

**Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company is a core investment Company whose principal business is investment in shares of group Companies incorporated in India and as such it is not facing any commodity price risk and foreign exchange risk and accordingly has not undertaken any hedging activities.

**Address for Correspondence****Registered Office**

The Galleria, DLF Mayur Vihar,  
Unit No. 236 & 237, Second Floor,  
Mayur Place, Noida Link Road,  
Mayur Vihar Phase I Extn,  
Delhi- 110 091  
Tel. No : (+91-11) 49482870  
Fax : (+91-11) 49482900

**Corporate Office**

Block C, Sector 45, Gurugram  
Haryana – 122 003  
Tel No. (+91 -124) 4354400  
Fax No : (+91-124) 4354500  
e-mail : [info@kamaholdings.com](mailto:info@kamaholdings.com)

**Registrar & Share Transfer Agent**

**KFin Technologies Private Limited**  
Karvy Selenium Tower B,  
Plot No 31 & 32 Gachibowli,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad – 500 032  
Tele No : (+91- 40) 67162222  
Fax : (+91- 40) 2300 1153  
E-mail : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

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**Declaration regarding Code of Conduct**

I, Ekta Maheshwari, Whole Time Director, CFO & Company Secretary of KAMA Holdings Limited declare that all Board members have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31<sup>st</sup> March, 2020.

For and on behalf of the Board of Directors

**Ekta Maheshwari**

Whole Time Director, CFO & Company Secretary

Date: 03.07.2020

Place: Gurugram

## BUSINESS RESPONSIBILITY STATEMENT

### About KAMA Holdings Limited

It is a Core Investment Company engaged in the business of holding long term investments in the following subsidiaries:

**SRF Limited (SRF)** a manufacturing Company which along with its subsidiaries is engaged in the business of manufacture of nylon tyre record fabric, packaging film and fluoro Chemicals and speciality Chemicals Business. It is listed on both NSE and BSE. Other details are given on the website [www.srf.com](http://www.srf.com)

**Shri Educare Limited (SEL)** is an entity providing quality education, essentially by way of setting up schools (from nursery to class 12) and pre-schools, and undertaking education consultancy, in India and abroad. These schools are modeled on the pattern of The Shri Ram Schools, an initiative of SRF Foundation, the social wing of SRF Limited. Shri Educare Maldives Limited which is a wholly owned subsidiary of SEL is engaged in running a school in Maldives in partnership with Maldives Government.

**KAMA Realty (Delhi) Limited, inter-alia** owns commercial properties in Gurugram and Mumbai. KAMA Real Estate Holding LLP is a subsidiary of KAMA Realty (Delhi) Limited engaged in acquisition and renting of commercial real estate.

**SRF Transnational Holdings Limited** is a registered NBFC engaged in the business of investment in securities of other companies.

### About this report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 500 listed entities based on market capitalisation at the BSE Ltd. (BSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the those 9 Principles.

### Section A : General Information about the Company

1.	<b>Corporate Identity Number (CIN) of the Company</b>	:	L92199DL2000PLC104779
2.	<b>Name of the Company</b>	:	KAMA Holdings Limited
3.	<b>Registered Address</b>	:	The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, Second Floor, Mayur Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi- 110 091
4.	<b>Website</b>	:	<a href="http://www.kamaholdings.com">www.kamaholdings.com</a>
5.	<b>Email id</b>	:	<a href="mailto:info@kamaholdings.com">info@kamaholdings.com</a>
6.	<b>Financial Year reported</b>	:	2019-20
7.	<b>Sector(s) that the Company is engaged in (industrial activity code-wise)</b>	:	KAMA Holdings Limited is a Core Investment Company (CIC) within the meaning of Core Investment Companies (Reserve Bank) Directions 2011, which does not require registration with Reserve Bank of India under the said Directions.
8.	<b>List three key products/services that the Company manufactures/provides (as in balance sheet)</b> - KAMA Holdings Limited is a Core Investment Company engaged in Holding long term investments in the shares of Subsidiaries.		
9.	<b>Total number of locations where business activity is undertaken by the Company</b>		
i)	<b>Number of International Locations (Provide details of major 5)</b>		
	N.A		
ii)	<b>Number of National Locations</b> KAMA Holdings Limited has business activity in 2 locations across the country.		
	State	Location	
	Delhi	Delhi	
	Haryana	Gurugram	
10.	<b>Markets served by the Company – Local/State/National/ International</b>		
	NA		

**Section B : Financial Details of the Company**

1.	<b>Paid up Capital (INR)</b>	:	1,937.20 lakhs
2.	<b>Total Turnover (INR)</b>	:	4206.86 lakhs
3.	<b>Total profit after taxes (INR)</b>	:	4037.65 lakhs
4.	<b>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) calculated in accordance with Companies Act, 2013</b>	:	NA
5.	<b>List of activities in which expenditure in 4 above has been incurred</b>	:	NA

**Section C : Other Details**

1.	<b>Does the Company have any Subsidiary Company/Companies ?</b>
	Following are the subsidiary companies :- 1. SRF Limited 2. KAMA (Realty) Delhi Limited 3. Shri Educare Limited 4. SRF Transnational Holdings Limited 5. Shri Educare Maldives Pvt. Ltd 6. SRF Global B.V 7. SRF Industries (Thailand) Ltd 8. SRF Flexipak (South Africa) (pty) Ltd 9. SRF Industex Holdings (Pty) Ltd. 10. SRF Europe Kft, Hungary 11. SRF Holiday Home Ltd. 12. KAMA Real Estate Holdings LLP
2.	<b>Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company ? If yes, then indicate the number of such subsidiary Company(s)</b>
	The subsidiary companies operate in different jurisdictions and are engaged in their own BR initiatives as applicable to them.
3.	<b>Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities ? [Less than 30%, 30-60%, More than 60%]</b>
	NA

**Section D : BR Information**
**1. Details of Director/Directors responsible for implementation of the BR policy/policies**

Implementation of BR policies is the responsibility of Ms. Ekta Maheshwari, Whole-Time Director, CFO & Company Secretary (DIN : 02071432 )

**2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

S. N.	Questions	Principle1	Principle2	Principle3	Principle4	Principle5	Principle6	Principle7	Principle8	Principle9
		Ethics, transparency & Sustainability, accountability	Sustainability in life-cycle of products	Employee well-being	Stakeholder engagement	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth	Customer value
1	Do you have a policy/policies for	Yes	NA	Yes	Yes	Yes	NA	No	Yes	NA

2	Has the policy been developed in consultation with relevant stakeholders ?	Yes	NA	Yes	Yes	Yes	NA	NA	Yes	NA
3	Does the policy conform to any national/ international standards? If yes, specify.	The policies adopted by the Company are in conformity								
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director	Policies wherever stated have been approved by the								
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA
6	Indicate the link for the policy to be viewed on-line #	<u>Partial</u> 1.Code of Conduct for Directors & Sr. Management Personnel 2.W h i s - tleblower Policy 3.Code of Conduct for Prevention of Insider Trading	<u>NA</u>	<u>No</u>	<u>Yes</u> 1.Dividend Distribution Policy 2. Code of Conduct	<u>No</u> 1Policy against Sexual Harassment 1.Whis-tleblower Policy	<u>No</u>	NA	<u>NA</u>	<u>NA</u>
		As per regulatory requirement, the policies of the Company have been uploaded on the website of the Company at <a href="http://www.kamaholdings.com">www.kamaholdings.com</a>								
7	Has the policy been communicated to the relevant internal and external stakeholders ?	Yes	NA	Yes	Yes	Yes	Yes	NA	<b>Yes</b>	NA
8	Does the Company have an in-house structure to implement the policy ?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	NA
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy /policies ?	Yes	NA	Yes	No	Yes	Yes	NA	No	NA

10	Has the Company carried out Independent audit/evaluation of the working of this policy by an internal or external agency ?	No	NA	NA	No	NA	Yes	NA	No	NA
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**2A If answer to S. No. 1 against any principle, is 'No', please explain why : (Tick upto 2 options)**

S. No.	Question	Principle 2 : Sustainability in life-cycle of products	Principle 7 : Responsible public policy advocacy	Principle 9 : Customer value
1.	The Company has not understood the Principles	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-
4.	It is planned to be done within next 6 months	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-
6.	Any other reason (please specify)	KAMA Holdings Limited is a Core Investment Company engaged in Holding long term investments in the shares of Subsidiaries. Thus this is not applicable to the Company.		

**3. Governance related to BR**

**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Board of Directors discuss the BR performance annually.

**Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report ? How frequently it is published ?**

BRR forms part of the Annual Report which is available at <http://www.kamaholdings.com/InvAnnualreport.aspx>

**Section E : Principle-wise performance**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

As a responsible organization, KAMA does its business with utmost integrity and in compliance with applicable laws and regulations, fairness, mutual respect and integrity. The Company expressly advocates that commitment to corporate governance is essential enhancement of stakeholders' value. This is exemplified in our Values which are not just strong words but a way of life. It is a collection of habits that should be reflected in our day-to-day behaviour. We have the following policies in place which form the foundation of our Company's commitment towards ethical conduct at all levels :

- Code of Conduct for Company's Directors and Senior Management (including employees)
- Whistle-Blower Policy : This Policy is applicable to the Directors of the Company or a person who is in direct or indirect employment with the company who makes a protected disclosure under this policy. This Policy provides a platform to these stakeholders for making any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company and had provisions to ensure protection of the whistleblower against victimization for the disclosures made by him/her.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management ?**

During the reporting period, no complaint was received under the provisions of Whistle-Blower Policy.

**Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. **List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Nil. KAMA Holdings Limited is a Core Investment Company engaged in holding long term investments in the shares of Subsidiaries.

2. **Does the Company have procedures in place for sustainable sourcing (including transportation) ? If yes, what percentage of your inputs was sourced sustainably ? Also, provide details thereof, in about 50 words or so.**

NA

3. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work ? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

NA

4. **Does the Company have a mechanism to recycle products and waste ? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

NA

**Principle 3 : Businesses should promote the wellbeing of all employees**

1. **Please indicate the total number employees.**

Permanent employees 2

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis**

Temporary/contractual/casual basis Nil

3. **Please indicate the number of permanent women employees**

1

4. **Please indicate the number of permanent employees with disabilities**

NIL

5. **Do you have an employee association that is recognized by Management ?**

There is no employee association. However, mechanisms are in place for employees to represent their issues, if any, and the same is resolved amicably.

6. **What percentage of your permanent employees is Members of this recognized employee association ?**

0%

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

S. No.	Category	No. of complaints filed during the Financial Year	No. of complaints pending as at end of the Financial Year
1.	Child labour/forced labour/involuntary labour	The Company at group level, does not hire child labour, forced labour or involuntary labour – No reported case	NA
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

a.	Permanent Employees	100%
b.	Permanent Women Employees	100%
c.	Casual/Temporary/Contractual Employees	NA
d.	Employees with Disabilities	NA

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, KAMA has mapped its internal and external stakeholders. We recognise employees, communities surrounding our operations, business associates, shareholders and regulatory authorities as our key stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

No

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

No

**Principle 5 : Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures /Suppliers /Contractors /NGOs/Others?**

We have the Code of Conduct and Whistleblower Policy which covers issues related to human rights. The details of these two policies have been covered elsewhere in this Report. We do not deal with any supplier/contractor if it is in violation of human rights and we do not employ any person below the age of eighteen.

The said policies discourage violation of values stated therein and provide a fair and transparent mechanism for reporting any such violation. The Whistleblower Policy investigates the disclosure made by the Whistleblower and recommends disciplinary or corrective action based on the outcome of the investigation. This policy also provides direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The system is designed to ensure confidentiality and protect the complainant from being victimized. False allegations are also dealt with disciplinary action in accordance with the Policy. A quarterly report of the summary of disclosures received and action recommended/taken to the Audit Committee on a quarterly basis.

Any amendment or modification in the Whistleblower Policy would be approved in writing by the Chairman of the Company and would be placed before the Audit Committee for its noting.

Some of the relevant policies are also implemented by the subsidiary companies

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received pertaining to human rights violation during the past financial year.

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

The Company is a Core Investment Company. Considering the nature of business of the Company, Principle 6 may not be strictly applicable to the Company. The Company's operations have no direct impact on the environment. However, the Company is vigilant on the need for conservation of the environment.

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors /NGOs/others.**

NA

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

NA

**3. Does the company identify and assess potential environmental risks? Y/N**

NA



4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
NA
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.  
NA
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
NA
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
NA

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:  
No
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
No

**Principle 8 : Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
The provisions of Companies Act pertaining to CSR are not applicable to the Company.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?  
NA
3. Have you done any impact assessment of your initiative?  
NA
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.  
NA
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.  
NA

**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.  
NIL
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)  
NA
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
No
4. Did your company carry out any consumer survey/ consumer satisfaction trends?  
NA



# ***Financials***

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
KAMA Holdings Limited

### Opinion

We have audited the accompanying standalone financial statements of KAMA Holdings Limited ("the Company"), which comprises Standalone Balance Sheet as at March 31, 2020, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flow Statement for the year then ended and notes to financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "standalone financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in *the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have

determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Transition to Ind AS accounting framework</b></p> <ul style="list-style-type: none"> <li>• The Company has adopted Ind AS from 1 April 2019 with transition date of 1 April 2018. For periods up to and including the year ended 31 March 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2020, together with the comparative financial information for the previous year ended 31 March 2019 and the transition date Balance Sheet as at 1 April 2018 have been prepared under Ind AS.</li> <li>• The transition has involved change in the Company's policies and processes for financial reporting.</li> <li>• In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</li> </ul>	<ul style="list-style-type: none"> <li>• Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</li> <li>• Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</li> <li>• Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</li> <li>• Tested the disclosures prescribed under Ind AS.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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 Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone 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 Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial controls 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 system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 standalone 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 standalone financial statements,

including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. 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.
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including (other comprehensive income), the standalone statement of changes in equity, and the Standalone Cash Flow Statement dealt with by this report are in agreement with the books of accounts
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement- Refer note 25 to standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' Report in accordance with the requirement of section 197(16) of the Act, we report that:

In our opinion and according to the information and explanation provided to us, the remuneration paid by the company to its directors during the year is

in accordance with provisions of Section 197 of the Act. The remuneration paid to the directors is not in excess of the limit laid down under section 197 of the Act.

For Luthra & Luthra LLP  
Chartered Accountants  
FRN: 002081N/N500092

Naresh Agrawal  
Partner

Place: Noida, U.P.  
Date: 03-07-2020

M.No: 504922  
UDIN: 20504922AAAACQ3138

#### Annexure - A to the Independent Auditors' Report

#### The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020

1. a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
- c. According to the information and explanations given to us and on the basis of our examination of the records, the Company does not own any immovable property.
2. As the company does not hold any inventory, clause 3(ii) of the order is not applicable to the Company.
3. The Company has granted unsecured loans to wholly owned subsidiary companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')
  - a) In our opinion terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loan, investment, guarantee and security.
5. According to the information and explanations given to us, the company has not accepted deposits.
6. According to the information and explanation given to us, the Company is not required to be maintained cost records u/s 148(1) of the Companies Act, 2013.
7. a. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.  
There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute other than given below:
 

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Financial year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	37.43	2007-08	Supreme Court
Income Tax Act, 1961	Income Tax	10.40	2003-10	Income Tax Appellate Tribunal (ITAT)
8. As per the information and explanation given to us, the Company has not taken any loans or borrowing from banks, Government or financial institutions. Accordingly, paragraph 3 (viii) of the Order is not applicable
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give

to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on 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.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Luthra & Luthra LLP  
Chartered Accountants  
FRN: 002081N/N500092

Naresh Agrawal  
Partner

Place: Noida, U.P.

M.No: 504922

Date: 03-07-2020

UDIN: 20504922AAAACQ3138

## **Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of KAMA Holdings Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Luthra & Luthra LLP  
Chartered Accountants  
FRN: 002081N/N500092

Naresh Agrawal  
Partner

Place: Noida, U.P.  
Date: 03-07-2020

M.No: 504922  
UDIN: 20504922AAAACQ3138



## KAMA HOLDINGS LIMITED

### BALANCE SHEET AS AT MARCH 31, 2020

Amount in Lakhs

Particulars	Note	As at	As at	As at
		March 31, 2020	March 31, 2019	April 01, 2018
<b>ASSETS</b>				
<b>1 Financial Assets</b>				
(a) Cash and cash equivalents	2(a)	24.84	25.14	10.78
(b) Bank balances other than cash and cash equivalents	2(b)	51.18	47.91	20.31
(c) Receivables				
(i) Other Receivables	3	-	32.07	44.16
(d) Loans	4	15,755.75	13,718.25	11,009.00
(e) Investments	5	43,195.14	43,195.14	43,195.14
		<b>59,026.91</b>	<b>57,018.51</b>	<b>54,279.39</b>
<b>2 Non-Financial Assets</b>				
(a) Current tax assets (Net)	6	0.54	5.34	15.48
(b) Deferred tax Assets (Net)	7	27.52	16.37	29.23
(c) Property, Plant and Equipment	8	16.42	15.35	-
(d) Other non-financial assets	9	0.79	1.29	1.24
		<b>45.27</b>	<b>38.35</b>	<b>45.95</b>
<b>TOTAL ASSETS</b>		<b>59,072.18</b>	<b>57,056.86</b>	<b>54,325.34</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial Liabilities</b>				
(a) Subordinated liabilities	10	1,317.78	1,395.30	1,395.30
(b) Other financial liabilities	11	58.23	51.58	23.11
		<b>1,376.01</b>	<b>1,446.88</b>	<b>1,418.41</b>
<b>2 Non Financial Liabilities</b>				
(a) Provisions	12	6.36	20.72	18.06
(b) Other Non Financial liabilities	13	2.18	3.16	4.07
		<b>8.54</b>	<b>23.88</b>	<b>22.13</b>
<b>Equity</b>				
(a) Equity Share Capital	14	645.26	645.26	645.26
(b) Other Equity	15	57,042.37	54,940.84	52,239.54
		<b>57,687.63</b>	<b>55,586.10</b>	<b>52,884.80</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>59,072.18</b>	<b>57,056.86</b>	<b>54,325.34</b>

Significant accounting policies and accompanying notes from 2 to 34 forming part of the financial statements

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director  
CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

## KAMA HOLDINGS LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Amount in Lakhs

Particulars	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Revenue from operations</b>			
Interest income	16	-	144.50
Dividend Income	17	4,206.86	3,605.88
<b>Total Revenue from operation (i)</b>		<b>4,206.86</b>	<b>3,750.38</b>
<b>Other Income (ii)</b>	18	-	36.96
<b>Total Income( i+ ii)</b>		<b>4,206.86</b>	<b>3,787.34</b>
<b>Expenses:</b>			
Finance Expenses	19	103.36	103.36
Employee benefit expenses	20	26.95	51.21
Depreciation, amortization and impairment	21	3.76	0.75
Other expenses	22	41.00	36.18
<b>Total</b>		<b>175.07</b>	<b>191.50</b>
<b>Profit/(Loss) before tax</b>		4,031.79	3,595.84
<b>Tax Expenses</b>	23		
Current Tax		-	46.73
Tax for earlier years		<b>(5.86)</b>	<b>(120.29)</b>
		(5.86)	(73.56)
<b>Profit/(Loss) After Tax</b>		4,037.65	3,669.40
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
-Gain/(Loss) of defined benefit obligation		(0.43)	(0.28)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.11	0.07
<b>Total Other Comprehensive Income</b>		<b>(0.32)</b>	<b>(0.21)</b>
<b>Total comprehensive Income for the year</b>		<b>4,037.33</b>	<b>3,669.19</b>
<b>Earnings per equity share:</b>			
Basic and Diluted	24	62.57	56.87

Significant accounting policies and accompanying notes from 2 to 34 forming part of the financial statements

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director**

**CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

## KAMA HOLDINGS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020

	Year Ended March 31, 2020 Rs./lakhs	Year Ended March 31, 2019 Rs./lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	4,031.79	3,595.84
Adjustments for		
Depreciation	3.76	0.75
Loss on sale of fixed assets	0.05	-
<b>Operating Profit before working capital changes</b>	<b>4,035.60</b>	<b>3,596.59</b>
Adjustments for		
Other Payables and Provisions	(11.90)	2.27
<b>Cash Generated from operations before tax</b>	<b>4,023.71</b>	<b>3,598.86</b>
Taxation	(0.37)	96.64
<b>Net Cash from operating Activities (A)</b>	<b><u>4,023.34</u></b>	<b><u>3,695.50</u></b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase fixed assets	(20.19)	(16.10)
Sale fixed assets	15.30	-
Loan given and other financials assets	(2,005.45)	(2,697.15)
<b>Net Cash from Investment Activities (B)</b>	<b><u>(2,010.34)</u></b>	<b><u>(2,713.25)</u></b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend on equity shares paid	(1,935.78)	(967.89)
Reduction of subordinated liabilities	(77.52)	-
<b>Net cash used in/ from financing activities ( C)</b>	<b><u>(2,013.30)</u></b>	<b><u>(967.89)</u></b>
<b>Net increase in Cash and Cash Equivalents D=(A+B+C)</b>	<b>(0.30)</b>	<b>14.36</b>
<b>Cash &amp; Cash equivalents at the beginning of the year ( E)</b>	<b>25.14</b>	<b>10.78</b>
<b>Cash &amp; Cash equivalents at the close of the year F =(D+E)</b>	<b>24.84</b>	<b>25.14</b>

Significant accounting policies and accompanying notes from 2 to 34 forming part of the financial statements

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director**

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(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

### A. Equity Share Capital

	Amount in Lakhs
<b>As at April 01, 2018</b>	645.26
Share Capital Issued during the year	-
<b>As at March 31, 2019</b>	645.26
Share Capital Issued during the period	-
<b>As at March 31, 2020</b>	645.26

### B. Other Equity

	Capital Reserve	General Reserve	Retained Earning	Total
<b>As at April 01, 2018</b>	<b>20,345.06</b>	<b>5,184.98</b>	<b>26,709.50</b>	<b>52,239.54</b>
Profit during the year	-	-	3,669.40	3,669.40
Other comprehensive income for the year, net of income tax	-	-	(0.21)	(0.21)
Payment of dividend	-	-	(967.89)	(967.89)
<b>Balance at March 31, 2019</b>	<b>20,345.06</b>	<b>5,184.98</b>	<b>29,410.80</b>	<b>54,940.84</b>
Profit during the year	-	-	4,037.65	4,037.65
Other comprehensive income for the year, net of income tax	-	-	(0.32)	(0.32)
Payment of dividend	-	-	(1,935.80)	(1,935.80)
<b>Balance at March 31, 2020</b>	<b>20,345.06</b>	<b>5,184.98</b>	<b>31,512.33</b>	<b>57,042.37</b>

Significant accounting policies and accompanying notes from 2 to 34 forming part of the financial statements

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director**

**CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

## Notes forming part of the financial statements for the year ended March 31, 2020

### 1 CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

#### A Corporate Information

Kama Holdings Limited (“the Company/KHL”) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Equity shares of the Company are publicly traded in India on the BSE. The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Mayur Vihar Place, Mayur Vihar Phase I Extn, Delhi - 110091.

The Company is a core investment company. The financial statements were authorised for issue in accordance with a resolution of the directors on July 03, 2020.

#### B Significant Accounting Policies

##### 1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act. Upto the year ended March 31, 2019, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Company’s first Ind AS financial statements. The date of transition to the Ind AS is April 1, 2018. Refer Note 32 for details of first-time adoption exceptions and exemptions availed by the Company.

##### 2 BASIS OF PREPARATION

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

##### 3 Property, plant and equipment (PPE)

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

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

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

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

##### 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 as prescribed under Schedule II of the 2013 Act.

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

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

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

## Notes forming part of the financial statements for the year ended March 31, 2020

### 5 Intangible Assets

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

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

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

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

### 6 Impairment of tangible and intangible assets

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

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 or CGU 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.

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 or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

### 7 Leasing

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.

#### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

## Notes forming part of the financial statements for the year ended March 31, 2020

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### 8 Borrowing costs

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

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

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

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

### 9 Foreign Currencies

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

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.

### 10 Provisions and Contingent Liabilities

#### 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.

## Notes forming part of the financial statements for the year ended March 31, 2020

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

### Contingent liability

A 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.

## 11 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Company.

- a) Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).
- b) Interest income is recognised when it is probable that the economic benefits will flow to the company using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding.

## 12 Taxation

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

### a) Current tax

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

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

### b) Deferred tax

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

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

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

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

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



## Notes forming part of the financial statements for the year ended March 31, 2020

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

### 13 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 and are measured at the undiscounted amount expected to be paid

#### Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner 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 the contributions. The company has no obligation, other than the contribution payable to such schemes.

#### Defined benefit plans

The company has defined benefit plan such as gratuity, provident fund for certain category of employees administered through a recognised provident fund trust.

Provision for gratuity, 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. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

#### Other long term employee benefits

The company also has other long term benefits plan such as 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.

### 14 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.

### 15 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.

### 16 Financial instruments

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

#### A) Financial assets

##### Initial recognition and measurement

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

## Notes forming part of the financial statements for the year ended March 31, 2020

### Subsequent measurement

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

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the 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.

Financial assets not classified as measured at amortised cost or FVOCI as 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.

### Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

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

The company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

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

### 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 recognizes 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.

## Notes forming part of the financial statements for the year ended March 31, 2020

### 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 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, 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.

## 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 include borrowings and trade and other payables.

### Subsequent measurement

#### Borrowings

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

#### Trade and other payables

Trade and other payables represent the liabilities for goods and services provided to the 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.

#### Derecognition

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

#### Equity Instruments

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

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

## 17 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

## Notes forming part of the financial statements for the year ended March 31, 2020

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.

### 18 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 19 Applicability of new and revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

### C 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.

- Assessment of useful life of property, plant and equipment
- Estimation of obligations relating to employee benefits (including actuarial assumptions)

Notes forming part of the financial statements for the year ended March 31, 2020

**2(A). CASH AND CASH EQUIVALENTS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Cash on hand	0.01	0.01	0.01
Balance with banks in Current accounts	24.83	25.13	10.77
	<u>24.84</u>	<u>25.14</u>	<u>10.78</u>

**2(B). BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Earmarked balances with bank (against unclaimed dividend)	51.18	47.91	20.31
	<u>51.18</u>	<u>47.91</u>	<u>20.31</u>

**3. OTHER RECEIVABLES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Considered Good- Unsecured			
Interest receivable	-	32.07	44.16
	<u>-</u>	<u>32.07</u>	<u>44.16</u>

Receivables from related party Nil (March 2019 INR 32.07 lakhs and March 2018 INR 44.16)



**Notes forming part of the financial statements for the year ended March 31, 2020**

**4. LOANS**

	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
	At amortised Cost	Total	At amortised Cost	At Fair value through OCI	Total	At amortised Cost	At Fair value through OCI	Total	
	Rs./lakhs	Rs./lakhs	Rs./lakhs	Rs./lakhs	Rs./lakhs	Rs./lakhs	Rs./lakhs	Rs./lakhs	
<b>(A) Other Loan</b>	15,755.75	-	15,755.75	13,718.25	-	13,718.25	11,009.00	-	11,009.00
Less :- Impairment Loss allowances	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<u>15,755.75</u>	<u>-</u>	<u>15,755.75</u>	<u>13,718.25</u>	<u>-</u>	<u>13,718.25</u>	<u>11,009.00</u>	<u>-</u>	<u>11,009.00</u>
<b>(B) Out of above</b>									
(I) Secured	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (I)	-	-	-	-	-	-	-	-	-
(II) Unsecured	15,755.75	-	15,755.75	13,718.25	-	13,718.25	11,009.00	-	11,009.00
Less :- Impairment Loss allowances	-	-	-	-	-	-	-	-	-
<b>Total (II)</b>	<u>15,755.75</u>	<u>-</u>	<u>15,755.75</u>	<u>13,718.25</u>	<u>-</u>	<u>13,718.25</u>	<u>11,009.00</u>	<u>-</u>	<u>11,009.00</u>
<b>Total (B)</b>	<u>15,755.75</u>	<u>-</u>	<u>15,755.75</u>	<u>13,718.25</u>	<u>-</u>	<u>13,718.25</u>	<u>11,009.00</u>	<u>-</u>	<u>11,009.00</u>
<b>(C) Out of above</b>									
(I) Loans in India	15,755.75	-	15,755.75	13,718.25	-	13,718.25	11,009.00	-	11,009.00
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (I)	<u>15,755.75</u>	<u>-</u>	<u>15,755.75</u>	<u>13,718.25</u>	<u>-</u>	<u>13,718.25</u>	<u>11,009.00</u>	<u>-</u>	<u>11,009.00</u>
(II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
<b>Total (II)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total (C)</b>	<u>15,755.75</u>	<u>-</u>	<u>15,755.75</u>	<u>13,718.25</u>	<u>-</u>	<u>13,718.25</u>	<u>11,009.00</u>	<u>-</u>	<u>11,009.00</u>

**Notes forming part of the financial statements for the year ended March 31, 2020**
**5. INVESTMENTS**

	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Quantity	Amount (Rs./lakhs)	Quantity	Amount (Rs./lakhs)	Quantity	Amount (Rs./lakhs)
<b>Investment in Subsidiaries (At cost)</b>						
<b>Quoted</b>						
SRF Limited	30,049,000	41,094.83	30,049,000	41,094.83	30,049,000	41,094.83
<b>Unquoted</b>						
KAMA Realty (Delhi) Limited	60,020	5.00	60,020	5.00	60,020	5.00
SRF Transnational Holdings Limited	3,254,184	1,144.31	3,254,184	1,144.31	3,254,184	1,144.31
Shri Educare Limited	9,510,000	951.00	9,510,000	951.00	9,510,000	951.00
Less: Impairment loss allowance		-		-		-
<b>Total Investments</b>		<b><u>43,195.14</u></b>		<b><u>43,195.14</u></b>		<b><u>43,195.14</u></b>
<b>Out of above</b>						
In India		43,195.14		43,195.14		43,195.14
Outside India		-		-		-
<b>Total</b>		<b><u>43,195.14</u></b>		<b><u>43,195.14</u></b>		<b><u>43,195.14</u></b>

**6. CURRENT TAX ASSETS(NET)**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Advance Tax (net of provisions and refunds)	0.54	5.34	15.48
	<b><u>0.54</u></b>	<b><u>5.34</u></b>	<b><u>15.48</u></b>

**7. DEFERRED TAX ASSETS (NET)**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
MAT credit available	27.34	16.30	29.23
Tax on employee benefit	0.18	0.07	-
	<b><u>27.52</u></b>	<b><u>16.37</u></b>	<b><u>29.23</u></b>



Notes forming part of the financial statements for the year ended March 31, 2020

**8. PROPERTY, PLANT & EQUIPMENTS**

Current Year

Description	Gross Block			Depreciation			Net Block		
	As at April 1, 2019	Additions	Deletion	As at March 31, 2020	As at April 1, 2019	Additions	Deletion	As at March 31, 2020	As at March 31, 2019
Vehicles	16.10	20.19	(16.11)	20.18	0.75	3.76	(0.75)	16.42	15.35
<b>Total</b>	<b>16.10</b>	<b>20.19</b>	<b>(16.11)</b>	<b>20.18</b>	<b>0.75</b>	<b>3.76</b>	<b>(0.75)</b>	<b>16.42</b>	<b>15.35</b>

Previous Year

Description	Gross Block			Depreciation			Net Block		
	As at April 1, 2018	Additions	Deletion	As at March 31, 2019	As at April 1, 2018	Additions	Deletion	As at March 31, 2019	As at March 31, 2018
Vehicles	-	16.10	-	16.10	-	0.75	-	15.35	-
<b>Total</b>	<b>-</b>	<b>16.10</b>	<b>-</b>	<b>16.10</b>	<b>-</b>	<b>0.75</b>	<b>-</b>	<b>15.35</b>	<b>-</b>



**Notes forming part of the financial statements for the year ended March 31, 2020**
**9. OTHER NON FINANCIAL ASSETS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Advance to Supplier	-	-	0.24
Prepaid expenses	0.79	1.29	1.00
	<u>0.79</u>	<u>1.29</u>	<u>1.24</u>

**10. SUBORDINATED LIABILITIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Liability portion of preference share	1,317.78	1,395.30	1,395.30
	<u>1,317.78</u>	<u>1,395.30</u>	<u>1,395.30</u>
<b>Out of Above</b>			
In India	1,317.78	1,395.30	1,395.30
Outside India	-	-	-
	<u>1,317.78</u>	<u>1,395.30</u>	<u>1,395.30</u>

**i. Terms/rights attached to Non-Cumulative Redeemable Preference Shares**

8% Non-Cumulative Redeemable Preference Shares are redeemable on or before March 31, 2031 at the discretion of Board of Directors of the Company in accordance with Memorandum & Article of Association.

- ii During the year ended March 31, 2020, the Company has paid a dividend of INR 180.87 lakhs on preference shares of INR 10 each fully paid (previous year INR 103.36 lakhs).

**11. OTHER FINANCIAL LIABILITIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Unclaimed dividends*	51.18	47.91	20.32
Expenses Payable	7.05	3.67	2.79
	<u>58.23</u>	<u>51.58</u>	<u>23.11</u>

\*Will be credited to Investor Education and Protection Fund if not claimed within seven years from the date of issue of dividend/interest warrant.

**12. PROVISIONS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>Provision for Employee Benefits</b>			
Gratuity (non-funded)	3.13	11.93	10.17
Leave encashment (non-funded)	3.23	8.79	7.89
	<u>6.36</u>	<u>20.72</u>	<u>18.06</u>

**Notes forming part of the financial statements for the year ended March 31, 2020**
**13. OTHER NON -FINANCIAL LIABILITIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Statutory dues	2.18	3.16	4.07
	<b>2.18</b>	<b>3.16</b>	<b>4.07</b>

**14. EQUITY SHARE CAPITAL**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>AUTHORISED</b>			
10,000,000 (March, 31 2019 - 10,000,000; April, 01 2018 - 10,000,000) Equity shares of Rs. 10 each	1,000.00	1,000.00	1,000.00
13,000,000 (March, 31 2019- 13,000,000; April, 01 2018- 13,000,000) Preference Shares of Rs. 10 each	1,300.00	1,300.00	1,300.00
	<b>2,300.00</b>	<b>2,300.00</b>	<b>2,300.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
6,452,615 (March, 31 2019 - 6,452,615; April, 01 2018 - 6,452,615) Equity Shares of Rs. 10 each fully paid up	645.26	645.26	645.26
	<b>645.26</b>	<b>645.26</b>	<b>645.26</b>

**(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year**

	In Nos.	Rs./lakhs
As at April 1, 2018	6,452,615	645.26
Shares issued during the year	-	-
Shares bought back during the year	-	-
As at March 31, 2019	<b>6,452,615</b>	<b>645.26</b>
As at April 1, 2019	6,452,615	645.26
Shares issued during the year	-	-
Shares bought back during the year	-	-
As at March 31, 2020	<b>6,452,615</b>	<b>645.26</b>

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

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

During the year ended March 31, 2020, the amount of interim dividend recognised as distributions to equity shareholders was Rs. 30 per share (2019 : Rs. 15 per share).

## Notes forming part of the financial statements for the year ended March 31, 2020

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

### d) Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 'March 31, 2020		As at 'March 31, 2019		As at 'March 31, 2018	
	(No. of shares)	% age	(No. of shares)	% age	(No. of shares)	% age
<b>Equity</b>						
ABR Family Trust	4,839,446	75.00%	-	-	-	-
Arun Bharat Ram	-	-	2,419,726	37.50%	2,419,726	37.50%
Ashish Bharat Ram	-	-	1,209,860	18.75%	1,209,860	18.75%
Kartik Bharat Ram	-	-	1,209,860	18.75%	1,209,860	18.75%

- e) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts.
- f) In the period of immediately preceding five years, the Company has not allotted any bonus shares.
- g) In the period of immediately preceding five years, the Company has neither allotted any shares nor bought back any shares.

## 15. OTHER EQUITY

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Capital reserve	20,345.06	20,345.06	20,345.06
General reserve	5,184.98	5,184.98	5,184.98
Retained earning	31,512.33	29,410.80	26,709.50
	<b>57,042.37</b>	<b>54,940.84</b>	<b>52,239.54</b>
<b>Capital reserve*</b>			
As at the beginning of the year	20,345.06	20,345.06	20,345.06
Addition/(Deletion) during the year	-	-	-
As at the end of the year	<b>20,345.06</b>	<b>20,345.06</b>	<b>20,345.06</b>
<b>General reserve#</b>			
As at the beginning of the year	5,184.98	5,184.98	5,184.98
Addition/(Deletion) during the year	-	-	-
As at the end of the year	<b>5,184.98</b>	<b>5,184.98</b>	<b>5,184.98</b>

\*Capital Reserve are the reserves created as per Scheme of Arrangement for amalgamation of investment division of Narmada Farms Private Ltd, Bhairav Farms Private Limited, SRF Polymers Investments Limited into the company.

#The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.

**Notes forming part of the financial statements for the year ended March 31, 2020**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>Retained earning<sup>@</sup></b>			
As at the beginning of the year	29,410.80	26,709.50	24,106.18
Add: Profit after tax transferred from statement of Profit and Loss annexed	4,037.65	3,669.40	3,571.21
Other Comprehensive income arising from remeasurement of defined payment obligation	(0.32)	(0.21)	-
Less: Interim Dividends on equity shares	<u>(1,935.80)</u>	<u>(967.89)</u>	<u>(967.89)</u>
As at the end of the year	<u><b>31,512.33</b></u>	<u><b>29,410.80</b></u>	<u><b>26,709.50</b></u>
<b>Total other Equity</b>	<u><b>57,042.37</b></u>	<u><b>54,940.84</b></u>	<u><b>52,239.54</b></u>

*@Retained Earnings are the profits that the company has earned till date less any transfer to general reserve, dividend or other distribution paid to shareholders.*

**16. INTEREST INCOME**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Interest on loans	-	144.50
	<u>-</u>	<u>144.50</u>

**17. DIVIDEND INCOME**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Dividend from subsidiary	4,206.86	3,605.88
	<u><b>4,206.86</b></u>	<u><b>3,605.88</b></u>

**18. OTHER INCOME**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Interest received on Income Tax refunds	-	36.96
	<u>-</u>	<u><b>36.96</b></u>

**19. FINANCE EXPENSES**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Interest on subordinated liabilities	103.36	103.36
	<u><b>103.36</b></u>	<u><b>103.36</b></u>

**Notes forming part of the financial statements for the year ended March 31, 2020**
**20. EMPLOYEE BENEFITS EXPENSE**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Salaries	23.98	47.94
Contribution to provident and other funds	2.97	3.27
	<b>26.95</b>	<b>51.21</b>

**21. DEPRECIATION, AMORTIZATION AND IMPAIRMENT**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Depreciation on vehicles	3.76	0.75
	<b>3.76</b>	<b>0.75</b>

**22. OTHER EXPENSES**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Professional and legal charges	10.04	8.47
Payment to Auditors:		
for Audit	9.80	4.38
for certification & others	0.50	1.55
for reimbursement of expenses	0.50	0.35
Directors' sitting fees	2.88	2.05
Insurance Expenses	2.10	1.40
Rates & Taxes	4.79	5.08
Books and Periodical	-	0.04
Loss on sale of vehicle	0.05	-
Miscellaneous expenses	10.34	12.86
	<b>41.00</b>	<b>36.18</b>

**Notes forming part of the financial statements for the year ended March 31, 2020**
**23. INCOME TAX**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Current tax		
In relation to current year	-	46.73
Adjustment in relation to earlier years	(5.86)	(120.29)
	<u>(5.86)</u>	<u>(73.56)</u>
The income tax expenses for the year can be reconciled to the accounting profits as follows		
Profit before tax	4,031.79	3,595.84
Income Tax Expenses @ 26% (Previous year: 25.75%)	1,048.27	925.93
Tax on Income exempt from tax	(1,093.78)	(928.51)
Expenses not allowed	45.52	49.38
Others	-	(0.07)
Income tax credit recognised in statement of profit and loss in relation to earlier years	(5.86)	(120.29)
<b>Total Income tax expenses recognised in profit and loss</b>	(5.86)	(73.56)

**24. EARNINGS PER SHARE:**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Profit after tax	4,037.65	3,669.40
Weighted average number of equity shares outstanding	6,452,615	6,452,615
Basic Earnings per share (Rs.)	62.57	56.87
Diluted Earnings per share (INR)	62.57	56.87

**25. CONTINGENT LIABILITIES:**

- (i) Claims against the Company not acknowledged as debts on account of:

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at March 31, 2018 Rs./lakhs
Income Tax	47.83	47.83	55.46
Under Business Transfer Agreement with SRF Limited for Excise Duty/Sales Tax	-	-	2,102.00

## Notes forming part of the financial statements for the year ended March 31, 2020

There details of dues of Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of disputes :

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	As at March 31, 2020 (Rs/ lakhs)*	As at March 31, 2019 (Rs/ lakhs)*	As at March 31, 2018 (Rs/ lakhs)*
Income Tax Laws	Income Tax	Commissioner of Income Tax(Appeals)	2014-15	-	-	2.06
				-	-	2.06

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

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

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	As at March 31, 2020 (Rs/ lakhs)*	As at March 31, 2019 (Rs/ lakhs)*	As at March 31, 2018 (Rs/ lakhs)*
Income Tax Laws	Income Tax	Supreme Court	2007-08	37.43	37.43	37.43
		High Court	2003-04	-	-	5.57
		Income Tax Apellate Tribunal (ITAT)	2003-10	10.40	10.40	10.40
<b>Total</b>				<b>47.83</b>	<b>47.83</b>	<b>53.40</b>

### 26. POST-EMPLOYMENT BENEFIT PLANS:

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the Company. These plans are:

- (a) Gratuity
- (b) Provident fund for certain category of employees administered through a recognised provident fund trust
  - (i) These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

#### Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

#### Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

#### Interest Risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in value of the liability.

#### Longevity Risk

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

**Notes forming part of the financial statements for the year ended March 31, 2020**
**(a) Defined Contribution Plans:**

Contributions paid / payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc., in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.

A sum of Rs. 2.97 lakhs (Previous Year Rs. 3.27 lakhs) has been charged to the Statement of Profit & Loss in this respect.

**(b) Defined Benefit Plans:**

The Company has defined benefit plan, namely gratuity. As per scheme, an employee who has completed five years or more of service gets gratuity equivalents to 15 days salary (last drawn salary) for each completed year of service.

The following table summarises the components of net expense recognised in the income statement and amounts recognised in the balance sheet for gratuity.

	Gratuity		Provident Fund	
	Year ended		Year ended	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Expense recognised in the Statement of Profit and Loss</b>				
Current service cost	0.25	0.61	0.80	1.51
Interest cost on benefit obligation	0.38	0.86	11.08	2.24
<b>Annual expenses</b>	<b>0.63</b>	<b>1.47</b>	<b>11.87</b>	<b>3.75</b>
<b>Amount recorded as Other Comprehensive Income</b>				
Actuarial (gain)/ losses arising from changes in financial assumptions	0.29	0.04	-1.93175	1.62839
Actuarial (gain)/ losses arising from changes in experience adjustments	0.14	0.25	-0.10406	0.35943
	<b>0.43</b>	<b>0.28</b>	<b>(2.04)</b>	<b>1.99</b>
<b>Benefit Asset/ (Liability)</b>				
Defined benefit obligation	3.13	11.93	147.37	33.51
Fair value of plan assets	-	-	-	-
<b>Benefit Asset/ (Liability)</b>	<b>(3.13)</b>	<b>(11.93)</b>	<b>(147.37)</b>	<b>(33.51)</b>
<b>Changes in the present value of the defined benefit obligation:</b>				
Opening defined benefit obligation	11.93	10.17	33.51	
Acquisition In				28.94
Interest cost	0.38	0.86	11.08	2.24
Current service cost	0.25	0.61	0.80	1.51
Contributions by plan participants/employees			1.89	2.45
Benefits Paid	(9.86)	-	(60.00)	-
Settlements/Transfer In			158.16	-
Net actuarial(gain)/loss recognised in year	0.43	0.28	1.93	(1.63)
<b>Closing defined benefit obligation</b>	<b>3.13</b>	<b>11.93</b>	<b>147.37</b>	<b>33.51</b>



**Notes forming part of the financial statements for the year ended March 31, 2020**

	Gratuity		Provident Fund	
	Year ended		Year ended	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>The principal assumption used for the purpose of the actuarial valuation were as follows</b>				
Discount rate	6.60%	7.59%	6.77%	7.66%
Future salary increases	7.50%	7.50%		
Retirement Age			58	58
Up to 30 years			10%	20.00%
from 31 to 44 years			5%	7.00%
above 44 years			2%	8.00%
Mortality table used	IALM(2012- 14)	IALM (2006-08)	IALM(2012- 14)	IALM (2006- 08)

**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.

	Gratuity		Provident Fund	
	Year ended March 31, 2020		Year ended March 31, 2020	
	Rs./lakhs		Rs./lakhs	
	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%
Discount rate	(0.15)	0.16	(0.15)	0.16
Expected salary growth	0.16	(0.15)	0.16	(0.15)
	Year ended March 31, 2019		Year ended March 31, 2019	
	Rs./lakhs		Rs./lakhs	
	Increase by 0.50%	Decrease by 0.50%	Increase by 0.50%	Decrease by 0.50%
Discount rate	(0.53)	0.56	(0.53)	0.56
Expected salary growth	0.56	(0.53)	0.56	(0.53)

**27. RELATED PARTY TRANSACTIONS**

(i) List of related parties and relationships :

(a)	<b>Subsidiaries</b>	(i) KAMA Realty (Delhi) Limited
		(ii) Shri Educare Limited
		(iii) SRF Limited
		(iv) SRF Transnational Holdings Limited
(b)	<b>Individuals owning, directly or indirectly, an interest in the voting power of the reporting entity that gives them control or significant influence over the enterprise, and relatives of any such individual</b>	(v) Arun Bharat Ram
		(vi) Ashish Bharat Ram
		(vii) Kartik Bharat Ram
		(viii) Vasvi Bharat Ram upto 13th Nov 2018
		(ix) ABR Family Trust

**Notes forming part of the financial statements for the year ended March 31, 2020**

(c)	<b>Key Management Personnel and Directors</b>	Amitav Virmani (Independent Director)
		Dhirendra Datta (Independent Director) upto 13.11.2019
		Ira Gupta (Independent Director)
		Jagdeep Rikhy (Independent Director)
		Ekta Maheshwari (Whole Time Director, Chief Financial Officer & Company Secretary) w.e.f 01.04.2019
		Rajat Lakhanpal (Whole Time Director, Chief Financial Officer & Company Secretary) upto 31.03.2019

## (ii) Transactions During the year with related parties :

	<b>Year ended March 31, 2020 Rs./lakhs</b>	<b>Year ended March 31, 2019 Rs./lakhs</b>
<b>Loan/ICD given :</b>		
KAMA Realty (Delhi) Limited	3,288.00	1,897.00
Shri Educare Limited	388.00	236.25
SRF Transnational Holdings Limited	6,280.00	4,271.00
<b>Loan/ICD refund received :</b>		
KAMA Realty (Delhi) Limited	2,016.50	603.50
Shri Educare Limited	178.00	81.50
SRF Transnational Holdings Limited	5,724.00	3,010.00
<b>Dividend received :</b>		
SRF Limited	4,206.86	3,605.88
<b>Dividend paid</b>		
ABR Family Trust	1,451.83	-
Arun Bharat Ram	89.44	414.07
Ashish Bharat Ram	44.72	207.04
Kartik Bharat Ram	44.72	207.04
<b>Interest received :</b>		
KAMA Realty (Delhi) Limited	-	144.50
<b>Purchase of Property, Plant &amp; Equipment</b>		
SRF Limited	0.15	-
<b>Sale of Property, Plant &amp; Equipment</b>		
SRF Limited	0.20	-
<b>Remuneration:</b>		
Rajat Lakhanpal	-	51.50
Ekta Maheshwari	17.04	-

**Notes forming part of the financial statements for the year ended March 31, 2020**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Interest received :</b>		
KAMA Realty (Delhi) Limited	-	144.50
<b>Purchase of Property, Plant &amp; Equipment</b>		
SRF Limited	0.15	-
<b>Sale of Property, Plant &amp; Equipment</b>		
SRF Limited	0.20	-
<b>Remuneration:</b>		
Rajat Lakhanpal	-	51.50
Ekta Maheshwari	17.04	-
<b>Directors sitting fee :</b>		
Kartik Bharat Ram	0.60	0.40
Vasvi Bharat Ram	-	0.25
Ashish Bharat Ram	0.70	0.18
Amitav Virmani	0.75	0.58
Dhirendra Datta	0.10	0.25
Ira Gupta	0.53	0.15
Jageep Rikhy	0.20	-
Mukul Khandelwal	-	0.25

(iii) Balances at year end with related parties :

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at March 31, 2018 Rs./lakhs
<b>Loan Receivable</b>			
KAMA Realty (Delhi) Limited	7,998.00	6,726.50	5,433.00
Shri Educare Limited	1,005.75	795.75	641.00
SRF Transnational Holdings Limited	6,752.00	6,196.00	4,935.00
<b>Sitting Fee payable</b>			
Ashish Bharat Ram	0.09	-	-
Kartik Bharat Ram	0.09	-	-
Amitav Virmani	0.05	-	-
<b>Interest Receivable</b>			
KAMA Realty (Delhi) Limited	-	32.07	44.16
<b>Equity Investment</b>			
SRF Limited	41,094.83	41,094.83	41,094.83
KAMA Realty (Delhi) Limited	5.00	5.00	5.00
SRF Transnational Holdings Ltd	1,144.31	1,144.31	1,144.31
Shri Educare Limited	951.00	951.00	951.00

**Notes forming part of the financial statements for the year ended March 31, 2020**
**28. Detail of loans given, investments made, Securities and Guarantees given on behalf of other companies as required under section 186(4) of the Companies Act 2013:-**

Nature of Transaction	Details of Transaction	Purpose
Investments	Refer note 5	Long term investments in subsidiaries.
Loans	Refer note 4	Funding of the principal business activities of the subsidiaries.

**29. TAX ON DISTRIBUTED PROFIS :**

Dividend to equity shareholders (Rs.1935.78 lakhs) as well as to preference shareholders (Rs. 180.87 lakhs) is paid out of dividend received from the subsidiary (Rs.4206.86 lakhs). No tax is payable under section 115-O of the Income Tax Act, 1961 and hence no provision has been made for dividend distribution tax.

**30.** The company is a Core Investment Company (CIC) within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011 and does not require registration with Reserve Bank of India under the said directions.

**31.** The company operates mainly in the business segment of investment activity. As such there are no reportable segments as per IND AS 108 on operating segment.

**32. FIRST TIME ADOPTION OF IND AS**

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2018 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions and certain optional exemptions availed by the Company.

**Reconciliation of total equity**

(i) Equity Reconciliation	Note	As At March 31, 2019	As At April 01, 2018
Equity under Previous GAAP		56,981.33	54,280.09
Classification of preference share as financial liability	1	(1,291.94)	(1,291.94)
Recognition of finance expenses on preference share	2	(103.36)	(103.36)
Income tax relating to items that will not be reclassified to profit or loss		0.07	-
		<b>55,586.10</b>	<b>52,884.80</b>

**Explanation for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS**

- Under IGAAP, Non-Cumulative Redeemable Preference Shares have been disclosed as Share capital while the same has been classified as subordinated liability under IND AS.
- Under IGAAP, dividend to Preference Shares were recognised as distribution to equity in the year of declaration, however the same has been recognised as finance expenses under IND AS on the basis of effective interest rate method

**Notes forming part of the financial statements for the year ended March 31, 2020**
**Reconciliation of total comprehensive income for the year ended March 31, 2019**

	Note	Year Ended March 31, 2019
<b>Profit as per Previous GAAP</b>		3,772.48
Finance Expenses recorded on preference share	1	(103.36)
Actuarial (Gain) / loss on defined benefit plan transferred to other comprehensive income	2	0.28
<b>Profit or loss under Ind AS</b>		<b>3,669.40</b>
<b>Other comprehensive income</b>		
-Gain/(Loss) of defined benefit obligation		(0.28)
-Income Tax relating to above items		0.07
<b>Total other comprehensive income</b>		<b>(0.21)</b>
<b>Total comprehensive income under Ind AS</b>		<b>3,669.19</b>

**Explanation for reconciliation of Statement of Profit & Loss as previously reported under IGAAP to Ind AS**

- Under IGAAP, dividend to Preference Shares were recognised as distribution to equity, however the same has been recognised as finance expenses under IND AS.
- Under IGAAP in respect of defined benefit plan, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses forming part of re-measurement of the net defined benefit liability / asset is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

**32.2 Effect of Ind AS adoption on the balance sheet**
**Rs/Lakhs**

Particulars	Note	As at March 31, 2019			As at April 01, 2018		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Financial Assets</b>							
Cash and cash equivalents		25.14	-	25.14	10.78	-	10.78
Bank balances other than cash and cash equivalents		47.91	-	47.91	20.31	-	20.31
<b>Receivables</b>							-
(i) Other Receivables		32.07	-	32.07	44.16	-	44.16
Loans		13,718.25	-	13,718.25	11,009.00	-	11,009.00
Investments		43,195.14	-	43,195.14	43,195.14	-	43,195.14
		<b>57,018.51</b>	<b>-</b>	<b>57,018.51</b>	<b>54,279.39</b>	<b>-</b>	<b>54,279.39</b>

Particulars	Note	As at March 31, 2019			As at April 01, 2018		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
<b>Non-Financial Assets</b>							
Current tax assets (Net)		5.34	-	5.34	15.48	-	15.48
Deferred tax Assets (Net)		16.30	0.07	16.37	29.23	-	29.23
Property, Plant and Equipment		15.35	-	15.35	-	-	-
Other non-financial assets		1.29	-	1.29	1.24	-	1.24
		<b>38.28</b>	<b>0.07</b>	<b>38.35</b>	<b>45.95</b>	-	<b>45.95</b>
<b>TOTAL ASSETS</b>		<b>57,056.79</b>	<b>0.07</b>	<b>57,056.86</b>	<b>54,325.34</b>	-	<b>54,325.34</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
<b>Financial Liabilities</b>							
Subordinated liabilities	1	-	1,395.30	1,395.30	-	1,395.30	1,395.30
Other financial liabilities		51.58	-	51.58	23.11	-	23.11
		<b>51.58</b>	<b>1,395.30</b>	<b>1,446.88</b>	<b>23.11</b>	<b>1,395.30</b>	<b>1,418.41</b>
<b>Non Financial Liabilities</b>							
Provisions		20.72	-	20.72	18.06	-	18.06
Other Non Financial liabilities		3.16	-	3.16	4.07	-	4.07
		<b>23.88</b>	-	<b>23.88</b>	<b>22.13</b>	-	<b>22.13</b>
<b>Equity</b>							
<b>Equity Share Capital</b>	1	1,937.20	(1,291.94)	645.26	1,937.20	(1,291.94)	645.26
<b>Other Equity</b>	2	55,044.13	(103.29)	54,940.84	52,342.90	(103.36)	52,239.54
		<b>56,981.33</b>	<b>(1,395.23)</b>	<b>55,586.10</b>	<b>54,280.09</b>	<b>(1,395.30)</b>	<b>52,884.80</b>
<b>Total Liabilities and Equity</b>		<b>57,056.79</b>	<b>0.07</b>	<b>57,056.86</b>	<b>54,325.34</b>	-	<b>54,325.34</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

- Under IGAAP, Non-Cumulative Redeemable Preference Shares have been disclosed as Share capital while the same has been classified as subordinated liability under IND AS.
- Under IGAAP, dividend to Preference Shares were recognised as distribution to equity in the year of declaration, however the same has been recognised as finance expenses under IND AS on the basis of effective interest rate method

**Notes forming part of the financial statements for the year ended March 31, 2020**
**32.3 Effect of Ind AS adoption on the statement of Profit and loss for the year ended March 31, 2019**

	Note	IGAAP	Effect of Transition to Ind AS	Ind AS
<b>Revenue from Operation</b>				
Interest income		144.50	-	144.50
Dividend Income		3,605.88	-	3,605.88
Other Income		36.96	-	36.96
<b>Total Income</b>		<b>3,787.34</b>	<b>-</b>	<b>3,787.34</b>
<b>Expenses</b>				
Finance Expenses	1	-	103.36	103.36
Employee benefit expenses		51.50	(0.28)	51.22
Depreciation, amortization and impairment		0.75	-	0.75
Other expenses	2	36.18	-	36.18
<b>Total Expenses</b>		<b>88.44</b>	<b>103.07</b>	<b>191.50</b>
<b>Profit for the year before taxation</b>		<b>3,698.91</b>	<b>(103.07)</b>	<b>3,595.84</b>
<b>Tax Expense:</b>				
(1) Current Tax		46.73	-	46.73
(2) Deferred Tax		(120.29)	-	(120.29)
		<b>(73.56)</b>	<b>-</b>	<b>(73.56)</b>
<b>Profit for the year after tax</b>		<b>3,772.47</b>	<b>(103.07)</b>	<b>3,669.40</b>
<b>Other Comprehensive Income</b>				
-Gain/(Loss) of defined benefit obligation	2	-	(0.28)	(0.28)
-Income Tax relating to above items	2	-	0.07	0.07
		<b>-</b>	<b>(0.21)</b>	<b>(0.21)</b>
<b>Total comprehensive Income for the period</b>		<b>3,772.47</b>	<b>(103.28)</b>	<b>3,669.19</b>

- Under IGAAP, dividend to Preference Shares were recognised as distribution to equity, however the same has been recognised as finance expenses under IND AS.
- Under IGAAP in respect of defined benefit plan, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses forming part of re-measurement of the net defined benefit liability / asset is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss.

**32.3 Effect of Ind AS adoption on the statement of cash flow for the year ended March 31, 2019**

Particular	Note	IGAAP	Effect of Transition to Ind AS	Ind AS
Net cash flow from operating activities	1 & 2	48.54	3,646.96	3,695.50
Net cash flow from Investing activities	1	1,037.07	(3,750.32)	(2,713.25)
Net cash flow from Financing activities	2	(1,071.25)	103.36	(967.89)
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>14.36</b>	<b>0.00</b>	<b>14.36</b>
Cash and cash equivalent at the beginning of the period		10.78	0.00	10.78
<b>Cash and cash equivalent at the end of the period</b>		<b>25.14</b>	<b>(0.00)</b>	<b>25.14</b>

Note 1: Cash inflow from dividend income was classified as investing activity under IGAAP, however the same has been classified as operating activities under IND-AS.

Note 2: Cash outflow to preference shareholders was classified as financing activities under IGAAP, however the same has been classified as operating activities under IND-AS.

## Notes forming part of the financial statements for the year ended March 31, 2020

### 33. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

#### 33.1 Capital management

The Company is cash surplus and has only equity capital and preference shares. The Company is a Core Investment Company (CIC) within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011 and does not require registration with Reserve Bank of India under the said directions.

The cash surpluses are currently invested in equity instruments and inter -corporate loan depending on economic conditions in line with investment policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings.

#### 33.2 Financial Risk Management

The Company being a Core Investment Company as per the Core Investment Companies (RBI) Directions, 2016 is required to invest or lend majority of its fund to subsidiaries. The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to support Company's operations. The Company's principal financial assets include inter corporate deposits, loans, cash and cash equivalents and other receivables.

The Company is exposed to market risk, credit risk, liquidity risk and operational and business risk. The Company's management oversees the management of these risks. The Company's senior management is supported by a Risk Management Committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The major risks are summarised below:

##### **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. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it does not have debt obligations.

##### **Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities towards inter corporate deposits to subsidiaries, where no significant impact on credit risk has been identified.

##### **Equity price risk:**

The Company's investment in subsidiaries are accounted at cost in the financial statement net of impairment. The expected cash flow from these entities are regularly monitored to identify impairment indicators.



**Notes forming part of the financial statements for the year ended March 31, 2020**
**Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flow of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through issuance of equity shares etc. The Company invests its surplus funds in subsidiary companies.

The table below analyze the Company's financial liabilities into relevant maturity profiles based on their contractual maturities:

(Amounts in Lakhs)

	Less than 1 year	More than 1 year and upto 5 years	More than 5 years	Total
<b>As at March 31, 2020</b>				
Subordinated liabilities	25.84	-	1,291.94	1,317.78
Other financial liabilities	58.23	-	-	58.23
<b>As at March 31, 2019</b>				
Subordinated liabilities	103.36	-	1,291.94	1,395.30
Other financial liabilities	51.58	-	-	51.58
<b>As at April 01, 2018</b>				
Subordinated liabilities	103.36	-	1,291.94	1,395.30
Other financial liabilities	23.11	-	-	23.11

**33.3 Categories of financial instruments by categories**

Particulars	Carrying value as at			Fair value as at		
	March 31, 2020	March 31, 2019	April 01, 2018	March 31, 2020	March 31, 2019	April 01, 2018
<b>Financial assets</b>						
<b>Measured at amortised cost</b>						
Cash and cash equivalents	24.84	25.14	10.78	24.84	25.14	10.78
Bank balances other than cash and cash equivalents	51.18	47.91	20.31	51.18	47.91	20.31
Other Receivables	-	32.07	44.16	-	32.07	44.16
Loans	15,755.75	13,718.25	11,009.00	15,755.75	13,718.25	11,009.00
	<b>15,831.78</b>	<b>13,823.37</b>	<b>11,084.24</b>	<b>15,831.78</b>	<b>13,823.37</b>	<b>11,084.24</b>
<b>Financial Liabilities</b>						
<b>Measured at amortised cost</b>						
Subordinated liabilities	1,317.78	1,395.30	1,395.30	1,317.78	1,395.30	1,395.30
Other financial liabilities	58.23	51.58	23.11	58.23	51.58	23.11
	<b>1,376.01</b>	<b>1,446.88</b>	<b>1,418.40</b>	<b>1,376.01</b>	<b>1,446.88</b>	<b>1,418.40</b>

Above information does not include investment in subsidiaries which is measured at cost.

34. In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on March 25, 2020, which has impacted the business activities of the company. The company has assessed the impact that may result from this pandemic on its liquidity position; carrying amounts of receivables; investments; and other assets/liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company has considered internal and external information available till the date of approval of these financial statements and has assessed its situation.

In that context and based on the current estimates, the company believes that COVID - 19 is not likely to have any material impact on its financial statements, liquidity or ability to service its obligations. However, the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.

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As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director**

**CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

## INDEPENDENT AUDITOR'S REPORT

To the members of KAMA Holdings Limited

### Report on Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying financial statements of **KAMA Holdings Limited** (hereinafter referred to as the "the Holding Company"), its subsidiary companies (Holding Company and its subsidiary companies together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended and notes to consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statement").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid Consolidated financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, of its consolidated profit and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit

of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### A. Key Audit Matters for Holding Company

Key Audit Matter	Auditor's Response
<p><b>Transition to Ind AS accounting framework</b></p> <ul style="list-style-type: none"> <li>The Holding Company has adopted Ind AS from 1 April 2019 with transition date of 1 April 2018. For periods up to and including the year ended 31 March 2019, the Holding Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2020, together with the comparative financial information for the previous year ended 31 March 2019 and the transition date Balance Sheet as at 1 April 2018 have been prepared under Ind AS.</li> <li>The transition has involved change in the Holding Company's policies and processes for financial reporting.</li> <li>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</li> </ul>	<ul style="list-style-type: none"> <li>Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</li> <li>Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</li> <li>Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</li> <li>Tested the disclosures prescribed under Ind AS.</li> </ul>

**B. Key Audit Matters for subsidiary Company (SRF Limited)**

Key Audit Matter	Auditor's Response
<p><b>Accounting for derivatives</b></p> <p>An important element of Group's fund-raising strategy involves various types of borrowings including foreign currency denominated borrowings and a combination of fixed and floating interest rates. The Group's operating activities are also exposed to significant foreign exchange risk (refer to note 50 of the consolidated financial statements).</p> <p>The Group uses derivative financial instruments to mitigate foreign currency risk and interest rate risk primarily through foreign currency forward exchange contracts and interest rate swaps.</p> <p>Further, the Group has been using hedge relationship designation as per criteria set out in relevant Indian accounting standards.</p> <p>Accounting thereof and related presentation and disclosures of these transactions require significant judgement.</p> <p>Given the significant level of judgement and estimation involved and the quantitative significance, the same has been determined to be a key audit matter.</p>	<p>During the course of their audit, the auditor of SRF Limited performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of controls over the Group's treasury and other related functions which directly impact the relevant account balances and transactions, including hedge accounting.</li> <li>• For selected samples, obtained external confirmations from counterparties of the year end positions as well as agreed to original agreements.</li> <li>• Performed sample tests of valuation and accounting of these transactions. In doing so we have involved valuation specialists to assist us in carrying out aforesaid procedure, as considered necessary.</li> <li>• Assessed the adequacy of disclosures in the financial statements in respect of both non derivative and derivative financial instruments.</li> </ul>
<p><b>Impact of adopting the new income tax regime</b></p> <p>See notes 10 and 38 to the consolidated financial statements. With effect from financial year 2019-2020, the Income Tax Act provides an option of paying income taxes at a lower rate subject to complying with certain prescribed conditions ('new tax regime'). The Group has opted to shift to the new tax regime from a financial year in the future.</p> <p>Accordingly, the deferred tax balances which are expected to reverse subsequent to the Company shifting to the new tax regime in the specified future year were remeasured and the consequential amount was recognised in the Consolidated Statement of Profit and Loss of the current year. This amount is considered to be significant.</p> <p>The determination of the point in time at which the Company would shift to the new tax regime involves significant judgement and estimation [including, consideration of uncertainties associated with COVID 19 pandemic, refer note 55(e)], regarding forecasting future taxable profits and realization of MAT credit entitlement (an item of deferred tax assets). Since the impact of remeasurement of deferred tax balances as stated above is sensitive to these judgements and estimates, it affects the amount of deferred tax balances (including MAT credit) that are reversed in the Consolidated Statement of Profit and Loss of the current year.</p> <p>Given the significant level of judgement involved and the quantitative significance, the same has been determined to be a key audit matter.</p>	<p>During the course of their audit, the auditor of SRF Limited performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Examined the implications of the new provisions on the tax position of the Holding Company to assess the impact of adopting the new tax regime from the specified future financial year.</li> <li>• Obtained budgets/ business plans, underlying the projections prepared by the Holding Company</li> <li>• Challenged key assumptions used in the projections based on business plans, historical data and trends, based on our knowledge of business.</li> <li>• Assessed the recoverability of MAT credit entitlement (an item of deferred tax assets) against the forecast future taxable profits.</li> <li>• Assessed the adequacy of related disclosures in the consolidated financial statements.</li> </ul>

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

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

Our opinion on the consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 respective Board of Directors of the Companies included in the Group are also responsible for overseeing the each Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 financial controls 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 internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Consolidated 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 Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are

therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements / financial information of nine subsidiaries whose financial information reflect total assets of Rs.10,88,265.13 lacs as at March 31, 2020, total revenues of Rs. 727,981.39 lacs and total net profit after tax of Rs. 101,920.25 lacs, total comprehensive income of Rs. 90,033.94 lacs and cash outflows (net) of Rs. 7,318.08 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

Auditor of consolidated financial statements of a subsidiary (whose consolidated financial statement includes 7 other entities) reported that the financial statements/information in respect of opening balance sheet as at 1 April 2018 is based on the previously issued statutory consolidated financial statements as at and for the year ended 31 March 2018, audited by the predecessor auditor whose report dated 17 May 2018 expressed an unmodified opinion on those statutory consolidated financial statements.

Certain of these subsidiaries are located outside India whose financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Immediate Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Immediate Holding Company's Auditor have audited those conversion adjustments made by such Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of Immediate Holding Company's Auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report that to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors of the Holding Company and reports of the statutory auditors of the subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and subsidiary companies incorporated in India and the operating effectiveness of such controls refer to our separate report in "Annexure A".
  - g) 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 and based on the report of the statutory auditors of the subsidiary Companies incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limits laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h) 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 and based on the consideration of the report of the other auditors:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 41 to the consolidated financial statements.
  - ii. provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 50 to the consolidated financial statements in respect of such items as it relates to the Group;
  - iii. there have been no delays in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2020.

For Luthra & Luthra LLP  
Chartered Accountants

Reg. No. 002081N / N500092

Naresh Agrawal  
Partner

Place: Noida, U.P.  
Date: July 03, 2020

M.No: 504922  
UDIN: 20504922AAAACR5636

## **Annexure - A to the Independent Auditors' Report**

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

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the **KAMA Holdings Limited** as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of KAMA Holdings Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India as of that date.

In our opinion, the Holding Company and such subsidiary companies which are incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls 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 Responsibility for Internal Financial Controls**

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

#### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

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

#### **Other Matters**

Our report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements, insofar as it relates to two subsidiary companies incorporated in India is based on the corresponding report of the auditors of such subsidiary companies in India. Our opinion is not qualified in respect of this matter.

For Luthra & Luthra LLP  
Chartered Accountants

Reg. No. 002081N / N500092

Naresh Agrawal  
Partner

Place: Noida, U.P.  
Date: July 03, 2020

M.No: 504922  
UDIN: 20504922AAAACR5636

## KAMA HOLDINGS LIMITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 01, 2018 Rs./lakhs
<b>ASSETS</b>				
<b>I Financial Assets</b>				
i Cash and cash equivalents	2 (a)	11,817.67	19,219.22	9,006.26
ii Bank Balance other than (a) above	2 (b)	954.67	981.39	992.94
iii Derivative financial instruments	3	8.13	3,427.72	1,303.16
iv Receivables				
(I) Trade Receivables	4	89,298.74	103,154.23	68,141.68
v Loans	5	2,777.24	2,412.98	1,825.91
vi Investments	6	35,396.94	24,282.78	24,506.71
vii Other Financial assets	7	23,885.32	20,072.24	16,499.58
		<b>164,138.71</b>	<b>173,550.56</b>	<b>122,276.24</b>
<b>II Non-Financial Assets</b>				
i Inventories	8	120,184.44	122,534.31	95,855.70
ii Current tax assets (Net)	9	3,886.81	1,971.01	2,254.34
iii Deferred tax Assets (Net)	10	1,898.65	128.62	111.96
iv Investment Property	11	3,086.62	3,146.97	3,207.35
v Property, Plant and Equipment	12	603,173.60	550,497.55	501,310.38
vi Right to use	13	19,631.75	152.86	154.61
vii Capital work-in-progress	14	141,510.79	77,669.16	58,038.59
viii Goodwill	15	62.30	407.81	407.81
ix Other Intangible assets	16	11,775.44	11,014.82	11,407.02
x Other non-financial assets	17	39,131.45	71,616.83	61,563.55
		<b>944,341.85</b>	<b>839,139.94</b>	<b>734,311.31</b>
<b>III Asset classified as held for sale</b>	52	1,184.00	-	-
<b>Total Assets</b>		<b>1,109,664.56</b>	<b>1,012,690.50</b>	<b>856,587.55</b>

(Contd...)

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020 (Contd...)**

Particulars	Note No.	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 01, 2018 Rs./lakhs
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>IV Financial Liabilities</b>				
i Derivative financial instruments	18	7,062.01	425.78	36.18
ii Payables				
Trade Payables	19			
(i) total outstanding dues of micro enterprises and small enterprises		3,036.34	1,824.21	1,935.03
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		108,132.69	136,417.72	102,489.18
iii Debt Securities	20	29,996.57	29,995.00	29,975.00
iv Borrowings (Other than Debt Securities)	21	375,455.06	343,600.50	284,418.20
v Subordinated Liabilities	22	1,317.78	1,395.30	1,395.30
vi Lease Liabilities	13	5,371.68	-	-
vii Other financial liabilities	23	30,124.70	16,107.55	14,252.37
		<b>560,496.83</b>	<b>529,766.06</b>	<b>434,501.26</b>
<b>V Non Financial Liabilities</b>				
i Current tax liabilities (Net)	24	1,032.84	1,036.69	1,557.29
ii Provisions	25	4,548.09	4,502.29	3,870.24
iii Deferred tax liabilities (Net)	10	17,549.86	34,198.20	29,288.75
iv Other non-financial liabilities	26	10,815.80	9,062.40	13,417.97
		<b>33,946.59</b>	<b>48,799.58</b>	<b>48,134.25</b>
<b>VI EQUITY</b>				
i Equity Share Capital	27	645.26	645.26	645.26
ii Other Equity	28	279,142.45	236,417.58	203,391.02
		<b>279,787.71</b>	<b>237,062.84</b>	<b>204,036.28</b>
<b>VII Non Controlling Interest</b>	29	<b>235,433.43</b>	<b>197,062.02</b>	<b>169,915.76</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,109,664.56</b>	<b>1,012,690.50</b>	<b>856,587.55</b>

Summary of Significant accounting policies 1

See accompanying notes to the consolidated financial statements 2 to 55

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director  
CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

**KAMA HOLDINGS LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Note	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Revenue from operations</b>	29		
Interest Income	(a)	2,099.32	863.38
Dividend Income	(b)	71.85	69.06
Rental Income	(c)	31.87	21.56
Net gain on fair value changes	(d)	512.12	1,117.30
Sale of products(including Excise Duty)	(e)	706,211.78	694,989.12
Sale of services	(f)	3,291.54	3,266.77
Export and other incentives	(g)	10,286.67	11,237.79
Others	(h)	4,442.29	3,732.70
<b>Total Revenue from operations</b>		<b>726,947.44</b>	<b>715,297.68</b>
Other Income	30	2,659.26	1,503.94
<b>Total Income</b>		<b>729,606.70</b>	<b>716,801.62</b>
<b>Expenses</b>			
Finance Costs	31	19,951.61	19,986.42
Cost of materials consumed	32	368,738.61	399,260.94
Purchases of Stock-in-trade	33	9,140.43	4,854.90
Changes in inventories of finished goods, work-in-progress and stock in trade	34	(9,182.14)	(7,403.31)
Employee benefits expense	35	56,776.32	48,337.17
Depreciation and amortisation	36	38,614.10	36,060.77
Other expenses	37	153,771.95	137,872.58
<b>Total Expenses</b>		<b>637,810.88</b>	<b>638,969.47</b>
<b>Profit/(Loss) before Tax</b>		<b>91,795.82</b>	<b>77,832.15</b>
<b>Tax expense</b>			
Current Tax	38	11,130.86	14,674.83
Deferred Tax		(10,673.74)	3,498.94
<b>Total Tax expense</b>		<b>457.12</b>	<b>18,173.77</b>
<b>Profit / (loss) for the period from continuing operations (VII-VIII)</b>		<b>91,338.70</b>	<b>59,658.38</b>
<b>Profit/(loss) from discontinued operations #</b>		15,585.49	5,845.61
<b>Tax Expense of discontinued operations</b>	38	5,266.26	841.08
<b>Profit/(loss) from discontinued operations (After tax) (X-XI)</b>		<b>10,319.23</b>	<b>5,004.53</b>
<b>Profit/(loss) for the period (IX+XII)</b>		<b>101,657.93</b>	<b>64,662.91</b>

(Contd...)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**  
 (Contd...)

Particulars	Note	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Other Comprehensive Income</b>			
<b>(A) (i) Items that will not be reclassified to profit or loss</b>			
Gain / (loss) of defined benefit obligation		(845.49)	(153.30)
Change in fair value of financial assets measured at FVTOCI		(1,982.26)	20.87
(ii) Income tax relating to items that will not be reclassified to profit or loss	39	544.10	48.46
<b>Subtotal (A)</b>		<b>(2,283.65)</b>	<b>(83.97)</b>
<b>(B) (i) Items that will be reclassified to profit or loss</b>			
(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge		(16,052.92)	5,024.58
(b) Exchange differences on translation of foreign operations		(1,052.94)	(2,461.73)
(ii) Income tax relating to items that will be reclassified to profit or loss	39	5,758.32	(1,904.57)
<b>Subtotal (B)</b>		<b>(11,347.54)</b>	<b>658.28</b>
<b>Other Comprehensive Income (A + B)</b>		<b>(13,631.19)</b>	<b>574.31</b>
<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>88,026.74</b>	<b>65,237.22</b>
<b>Profit attributable to:</b>			
Owners of the company		53,023.99	34,042.52
Non controlling interest		48,633.94	30,620.39
<b>Total comprehensive income attributable to:</b>			
Owners of the company		45,072.25	34,347.75
Non controlling interest		42,954.49	30,889.47
Paid up equity share capital (Rs. 10 each fully paid up)		645.26	645.26
Earnings per equity share (for continuing operations)	40		
(a) Basic		738.14	487.03
(b) Diluted		738.14	487.03
Earnings per equity share (for discontinued operations)	40		
(a) Basic		83.60	40.54
(b) Diluted		83.60	40.54
Earnings per equity share (for continuing and discontinued operations)	40		
Basic		821.74	527.58
Diluted		821.74	527.58

Summary of Significant accounting policies 1

See accompanying notes to the consolidated financial statements 2 to 55

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director  
CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

## KAMA HOLDINGS LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020

Particulars	Year Ended March 31, 2020 Rs./lakhs	Year Ended March 31, 2019 Rs./lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax		
- Continuing Operations	91,795.82	77,832.15
- Discontinued Operations	15,585.49	5,845.61
Adjustments for:		
Finance costs	19,966.65	20,376.46
Interest Income	(1,583.67)	(648.29)
Net (gain) / loss on sale / discarding of property, plant and equipment	(1,276.67)	(0.01)
Provision for investments	-	(100.00)
Net gain on financial assets measured at fair value through profit and loss	(2,241.55)	(1,250.55)
Credit impaired assets provided / written off	218.24	223.21
Amortisation of grant income	(356.35)	(106.81)
Depreciation and amortisation expense	40,104.14	36,993.45
Property, plant and equipment and inventory discarded / provided	7,458.31	195.08
Provision / liabilities no longer required written back	(446.74)	(1,100.42)
Amortisation of upfront payment for leasehold land	-	148.50
Net unrealised currency exchange fluctuations (gain) / loss	714.82	(1,106.12)
Profit on sale of business	(23,373.89)	-
Employee share based payment expense	97.49	64.46
Profit on sale of investments	47.34	(213.28)
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets :		
Trade receivables	14,096.27	(35,027.33)
Inventories	525.67	(26,734.20)
Loans (Current)	(2,922.60)	(4.20)
Loans (Non-current)	14,175.31	(5,515.92)
Adjustments for increase / (decrease) in operating liabilities :		
Trade payables	(27,147.01)	33,928.47
Provisions	(185.03)	1,680.00
Other liabilities	(1,375.16)	89.06
<b>Cash generated from operations</b>	<b>143,876.88</b>	<b>105,569.32</b>
Income taxes paid (net of refunds)	(14,683.01)	(15,188.91)
<b>Net cash generated from operating activities</b>	<b>129,193.87</b>	<b>90,380.41</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of non-current investments	(13,322.68)	(11,415.38)
Payment for purchase of mutual funds	(8,862.64)	3,314.60
Proceeds from sale of investments	23,442.17	21,507.26
Proceeds from sale of business	31,576.80	-
Cost incurred of sale of business	(570.57)	-
Income tax paid on profit from sale	(4,083.89)	-

(Contd...)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020**  
(Contd...)

Particulars	Year Ended March 31, 2020 Rs./lakhs	Year Ended March 31, 2019 Rs./lakhs
Interest received	1,598.67	469.42
Bank balances not considered as cash and cash equivalents	51.97	82.48
Unrealised Profit on sale of Investments	2,019.50	(15.47)
Payment for purchase of property, plant, equipment, capital work-in-progress and intangible assets	(153,144.18)	(118,645.18)
Proceeds from disposal of property, plant and equipment	2,241.67	374.47
<b>Net cash used in investing activities</b>	<b>(119,053.18)</b>	<b>(104,327.80)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings (Non-current)	127,792.04	117,712.49
Repayment of borrowings (Non-current)	(95,746.75)	(91,451.11)
Net proceeds / (repayment) from borrowings (Current)	(19,975.47)	28,567.46
Dividends on equity share to minority	(3,824.75)	(3,335.11)
Dividends paid	(1,935.78)	(967.89)
Corporate dividend tax paid	(1,654.14)	(1,418.83)
Payment towards lease liability	(1,887.23)	-
Finance costs paid	(20,468.14)	(22,464.56)
<b>Net cash (used in) / generated from financing activities</b>	<b>(17,700.22)</b>	<b>26,642.45</b>
<b>D EFFECT OF EXCHANGE RATE MOVEMENTS</b>	157.96	(2,482.16)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(7,401.55)</b>	<b>10,212.90</b>
Cash and cash equivalents at the beginning of the period	19,219.22	9,006.32
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>11,817.67</b>	<b>19,219.22</b>

**Notes:**

Cash flow attributable to the operating, investing and financing activities of discontinued operations is presented below:

Particulars	Year Ended March 31, 2020 Rs./lakhs	Year Ended March 31, 2019 Rs./lakhs
Net cash (used in) / generated from operating activities	1,318.00	6,696.53
Net cash generated from investing activities	26,636.08	(580.71)
Net cash used in financing activities	(68.65)	(3,248.76)

**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) During the year, the Company paid in cash Rs.1,215.10 lakhs (Previous year: Rs.1,057.50 lakhs) towards corporate social responsibility (CSR) expenditure.
- (iii) For cash flow information of discontinued operations, Refer note 53.
- (iv) The following table disclose changes in liabilities arising from historical activities including both cash and non cash changes.

(Contd...)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020**  
 (Contd...)

Particulars	As at March 31, 2019	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes	As at March 31, 2020
Borrowings	343,600.50	12,069.83	340.72	19,444.01	375,455.06
Debt Securities	29,995.00	-	1.57	-	29,996.57
<b>Total</b>	<b>373,595.50</b>	<b>12,069.83</b>	<b>342.29</b>	<b>19,444.01</b>	<b>405,451.63</b>

Particulars	As at April 1, 2018	Cash flow from financing activities	Upfront fees amortised	Exchange fluctuation changes	As at March 31, 2019
Borrowings	284,418.20	54,828.84	366.52	3,986.93	343,600.50
Debt Securities	29,975.00	-	20.00	-	29,995.00
<b>Total</b>	<b>314,393.20</b>	<b>54,828.84</b>	<b>386.52</b>	<b>3,986.93</b>	<b>373,595.50</b>

Summary of Significant accounting policies 1

See accompanying notes to the consolidated financial statements 2 to 55

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director  
CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi





**KAMA HOLDINGS LIMITED  
STATEMENT OF CONSOLIDATED CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**

**(a) Equity share capital**

	<b>Amounts</b>
<b>Balance at April 1, 2018</b>	<b>645.26</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2019</b>	<b>645.26</b>
Changes in equity share capital during the year	-
<b>Balance at March 31, 2020</b>	<b>645.26</b>

**(b) Other Equity**

Particulars	Reserves and Surplus*										Total	Non-Controlling Interest	
	General reserve	Retained earnings	Capital redemption reserve	Capital Reserve	Capital redemption reserve	Amalgamation Reserve	Special Reserve u/s 45-IC of RBI Act, 1934	Employee Share based payment reserve	Cash Flow Hedging Reserve	Foreign currency translation reserve			Equity Instrument Fair value Through OCI
<b>Balance at April 1, 2018</b>	<b>62,558.97</b>	<b>89,012.04</b>	<b>1,048.10</b>	<b>41,928.83</b>	<b>7,500.00</b>	<b>252.58</b>	<b>155.67</b>	<b>-</b>	<b>(357.09)</b>	<b>1,088.90</b>	<b>203.03</b>	<b>203,391.03</b>	<b>169,915.76</b>
Profit for the year	-	34,042.52	-	-	-	-	-	-	-	-	-	34,042.52	30,620.39
Other comprehensive income for the year, net of income tax	-	(21.31)	-	-	-	-	-	-	1,631.53	(1,283.54)	6.41	333.09	269.08
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>34,021.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,631.53</b>	<b>(1,283.54)</b>	<b>6.41</b>	<b>34,375.61</b>	<b>30,889.47</b>
Payment of dividend	-	(967.89)	-	-	-	-	-	-	-	-	-	(967.89)	(9,291.78)
Tax on Dividend	-	(220.20)	-	-	-	-	-	-	-	-	-	(220.20)	(670.63)
Transfer to Special Reserve	-	(113.96)	-	-	-	-	113.96	-	-	-	-	-	-
Increase in minority interest	-	(191.52)	-	-	-	-	-	-	-	-	-	(191.52)	191.52
Employee share based payments to employees	-	-	-	-	-	-	-	30.56	-	-	-	30.56	27.68
<b>Balance at March 31, 2019</b>	<b>62,558.97</b>	<b>121,539.68</b>	<b>1,048.10</b>	<b>41,928.83</b>	<b>7,500.00</b>	<b>252.58</b>	<b>269.63</b>	<b>30.56</b>	<b>1,274.44</b>	<b>(194.64)</b>	<b>209.44</b>	<b>236,417.59</b>	<b>197,062.02</b>

(Contd...)

**STATEMENT OF CONSOLIDATED CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020 (Contd...)**

Particulars	Reserves and Surplus*										Total	Non-Controlling Interest	
	General reserve	Retained earnings	Capital redemption reserve	Capital Reserve	Debtenture redemption reserve	Amalgamation Reserve	Special Reserve u/s 45-IC of RBI Act, 1934	Employee Share based payment reserve	Cash Flow Hedging Reserve	Foreign currency translation reserve			Equity Instrument Fair value Through OCI
Profit for the year	-	53,023.99	-	-	-	-	-	-	-	-	-	53,023.99	48,633.94
Other comprehensive income for the year, net of income tax	-	(325.33)	-	-	-	-	-	-	(5,382.18)	(543.09)	(1,728.62)	(7,979.22)	(5,679.47)
<b>Total comprehensive income for the year</b>	-	52,698.66	-	-	-	-	-	-	(5,382.18)	(543.09)	(1,728.62)	45,044.77	42,954.47
Payment of dividend	-	(1,935.78)	-	-	-	-	-	-	-	-	-	(1,935.78)	(3,840.41)
Tax on Dividend	-	(435.08)	-	-	-	-	-	-	-	-	-	(435.08)	(789.41)
Transfer to Special Reserve	-	(68.58)	-	-	-	-	68.58	-	-	-	-	-	-
Employee share based payments to employees	-	-	-	-	-	-	-	50.96	-	-	-	50.96	46.76
<b>Balance at March 31, 2020</b>	<b>62,558.97</b>	<b>171,798.90</b>	<b>1,048.10</b>	<b>41,928.83</b>	<b>7,500.00</b>	<b>252.58</b>	<b>338.21</b>	<b>81.52</b>	<b>(4,107.74)</b>	<b>(737.73)</b>	<b>(1,519.18)</b>	<b>279,142.45</b>	<b>235,433.43</b>

\* Refer note no. 28

Summary of Significant accounting policies

1

See accompanying notes to the consolidated financial statements 2 to 55

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ekta Maheshwari

**Whole Time Director**

**CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

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Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 1. CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

#### A Corporate Information

Kama Holdings Limited (“the Company/KHL”) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Equity shares of the Company are publicly traded in India on the Bombay Stock Exchange. The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Mayur Vihar Place, Mayur Vihar Phase I Extn, Delhi - 110091.

The Company is a core investment company while principal activities of its subsidiaries are manufacturing, purchase and sale of technical textiles, chemicals, packaging films and other polymers.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on July 03, 2020.

#### B Significant Accounting Policies

##### 1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the 2013 Act. Upto the year ended March 31, 2019, the Group prepared the consolidated financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Group’s first Ind AS consolidated financial statements. The date of transition to the Ind AS is April 1, 2018. Refer Note 44 for details of first-time adoption exceptions and exemptions availed by the Group.

### 2. BASIS OF PREPARATION

The consolidated 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
- Share based payments

The functional currency of the Company is ‘INR’ and its subsidiaries are their respective local currencies. The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

The consolidated financial statements incorporate the financial statements of the holding group and its subsidiaries. Control is achieved when the group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the group gains control until the date when the group ceases to control the subsidiary.

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

**Notes to Consolidated Financial Statements for the year ended March 31, 2020**

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

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The subsidiaries considered in the preparation of these consolidated financial statements are: -

**Name of the direct subsidiaries of the company:**

Indian subsidiaries	Country of Incorporation	Proportion of ownership as at March 31, 2020	Proportion of ownership as at March 31, 2019	Proportion of ownership as at April 01, 2018
SRF Limited	India	52.28%	52.28%	52.33%
Shri Educare Limited	India	100.00%	100.00%	100.00%
KAMA Realty (Delhi) Limited	India	100.00%	100.00%	100.00%
SRF Transnational Holdings Limited	India	100.00%	100.00%	100.00%

**Name of the direct subsidiaries of SRF Limited which is the direct subsidiary of the company:**

Subsidiaries	Country of Incorporations	Proportion of ownership as at March 31, 2020	Proportion of ownership as at March 31, 2019	Proportion of ownership as at April 01, 2018
SRF Holiday Home Limited	India	100.00%	100.00%	100.00%
SRF Employees Welfare Trust	India	*	*	-
SRF Global BV	Netherlands	100.00%	100.00%	100.00%

\*by virtue of management control

**Name of the direct subsidiaries of Shri Educare Limited which is the direct subsidiary of the company:**

Subsidiaries	Country of Incorporation	Proportion of ownership as at March 31, 2020	Proportion of ownership as at March 31, 2019	Proportion of ownership as at April 01, 2018
Shri Educare Maldives Pvt. Ltd.	Maldives	100.00%	100.00%	100.00%

**Name of the direct subsidiaries of SRF Global BV which is the direct subsidiary of SRF Limited.**

Foreign subsidiaries	Country of Incorporation	Proportion of ownership as at March 31, 2020	Proportion of ownership as at March 31, 2019	Proportion of ownership as at April 01, 2018
SRF Industries (Thailand) Limited	Thailand	100.00%	100.00%	100.00%
SRF Europe Kft	Hungary	100.00%	100.00%	-
SRF Industex Belting (Pty) Limited	Republic of South Africa	100.00%	100.00%	100.00%
SRF Flexipak (South Africa) (Pty) Limited	Republic of South Africa	100.00%	100.00%	100.00%

**Name of the direct subsidiary of KAMA Realty (Delhi) Limited**

Subsidiaries	Country of Incorporation	Proportion of ownership as at March 31, 2020	Proportion of ownership as at March 31, 2019	Proportion of ownership as at April 01, 2018
KAMA Real Estate Holdings LLP	India	100.00%	100.00%	100.00%

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

The group owns 22.60% (Previous year – 22.60%) in Malanpur Captive Power Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Malanpur Captive Power Limited.

The group owns 26.32% (Previous year – 26.32%) in Vaayu Renewable Energy (Tapti) Private Limited and the same has not been considered for the purposes of consolidation, since the group does not exercise significant influence over Vaayu Renewable Energy (Tapti) Private Limited.

**The principal accounting policies are set out below.**

### 3 Property, plant and equipment (PPE)

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

All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group have opted such fair valuation as deemed cost at the transition date.

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

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

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

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

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

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

### 4 Investment Property

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at cost of acquisition, including transaction costs. On transition to IND AS, the Group has elected to measure all of its investment properties at the previous GAAP carrying value (deemed cost).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in the statement of Profit & Loss as incurred.

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on straight line basis over the useful life specified in schedule II of the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at the end of the each financial year and adjusted prospectively.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair value are determined based on an annual evaluation performed by external independent valuer.

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit & Loss in the period of de-recognition.

### 5 Depreciation

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

Roads	40-50 years
Buildings	30-60 years
Plant and machinery	2-30 years
Furniture and fixtures	15 years
Office equipment	3-20 years
Vehicles	4-5 years

Freehold land is not depreciated.

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

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

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

## 6 Intangible Assets

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

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

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 7 Research and development expenditure

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

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

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

### 8 Goodwill

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

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

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

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

### 9 Impairment of tangible and intangible assets other than goodwill

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

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 or CGU 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.

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### the reversal, if any, required of impairment loss recognised in previous periods.

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 group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

## 10 Leasing

At inception of a contract, the Group 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 Group 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 Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Group has the right to direct the use of the asset. The Group 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 Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

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

### Group as lessee

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

The Group 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 Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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 Group 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 Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

## 11 Borrowing costs

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

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

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

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

## 12 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.

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

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

(iii) Exchangedifferencespertainingtolongtermforeigncurrencyloansobtainedorre-financedonorafterApril1,2016  
The exchange differences pertaining to long term foreign currency loans obtained or re-financed on or after April 1, 2016 is treated in accordance with Ind AS 21/ Ind AS 109.

## 13 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 material 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 below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

- (b) Traded goods, Stock in progress and finished goods- Direct cost plus appropriate share of overheads and excise duty, wherever applicable
- c) By products - At estimated realisable value

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

### 14 Provisions and Contingent Liabilities

#### Provisions

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

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

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

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

#### Contingent liability

A 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 group 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 group 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.

### 15 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised only when it can be reliably measured and it is probable that future economic benefits will flow to the Group.

- a) Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).
- b) Interest income is recognised when it is probable that the economic benefits will flow to the Group using the effective interest rate and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding.
- c) **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. Service income is recognised as and when the underlying services are performed. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

Revenues are measured based on the transaction price, 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.

Any fees including upfront fees received in relation to contract manufacturing arrangements is recognised on straight line basis over the period over which the Group satisfies the underlying performance obligations. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. Advance from customers ("contract liability") is recognised when the group has received consideration from the customer before it delivers the goods.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

- d) **Export incentive:** The benefit accrued under the Duty Drawback scheme and other schemes as per the Export and Import Policy in respect of exports made under the said Schemes is included under the head "Revenue from Operations" under 'Export and other incentives'.
- e) **Other Services :** Course fees is recognised over the duration of the course, franchise fees and other services is recognised as per the terms of agreement on performance of the service.

### 16 Taxation

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

#### a) Current tax

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

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

#### b) Deferred tax

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

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. 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 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.

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

Deferred tax assets/liabilities are not recognised for below mentioned temporary differences:

- (i) At the time of initial recognition of goodwill;
- (ii) Initial recognition of assets or liabilities (other than in a business combination) at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (iii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

### 17 Government grants

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

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

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

### 18 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 and are measured at the undiscounted amount expected to be paid

#### Defined contribution plans

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund, National pension scheme 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 the contributions. The group has no obligation, other than the contribution payable to such schemes.

#### Defined benefit plans

The group has defined benefit plan such as gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans.

Provision for gratuity, provident fund for certain category of employees administered through a recognised provident fund trust and legal severance plans are determined on an actuarial basis at the end of the year and charged to consolidated 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. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

#### Other long term employee benefits

The group also has other long term benefits plan such as compensated absences and retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to consolidated Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

#### Share based payments

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation cost relating to employee stock purchase scheme is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

### 19 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.

### 20 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.

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 21 Financial instruments

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

#### A) Financial assets

##### Initial recognition and measurement

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

##### Subsequent measurement

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

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in 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.

Financial assets not classified as measured at amortised cost or FVOCI as 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.

##### Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

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

The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments.

##### Derecognition

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

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

### **Impairment of financial assets**

The group 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 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, 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.

## **B) Financial liabilities and Equity instruments**

### **Initial recognition and measurement**

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

The group's financial liabilities include borrowings and trade and other payables including derivative financial instruments.

### **Subsequent measurement**

#### **Borrowings**

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

#### **Trade and other payables**

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

#### **Offsetting of financial instruments**

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

#### **Derecognition**

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

#### **Equity Instruments**

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

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

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### 22 Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement

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

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

For the purpose of hedge accounting, hedges are classified as:

- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.
- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

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

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

#### Fair value hedges

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

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

#### Cash flow hedges

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

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

The group also designates certain non derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for the hedge of foreign currency risk associated with highly probable transactions and, accordingly, applies cash flow hedge accounting for such relationships.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast transaction occurs

## Notes to Consolidated Financial Statements for the year ended March 31, 2020

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

### 23 Fair value measurement

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

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

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

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

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b) Level 2 — 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 consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

### 24 Foreign Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

### 25 Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.



## Notes to Consolidated Financial Statements for the year ended March 31, 2020

### Segment Policies:

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

### 26 Dividend

The group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 27 Applicability of new and revised Ind AS

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

### C Significant accounting judgements, estimates and assumptions

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

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. 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 consolidated financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note B.10
- Financial instruments - Note B. 22
- Fair value measurement – Note B.23
- Assessment of useful life of property, plant and equipment and intangible asset – Note B.5
- Recognition and estimation of tax expense including deferred tax– Note B.16
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note B.18
- Estimated impairment of financial assets and non-financial assets – Note B.21 and Note B.9
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note B.14

**Notes to consolidated financial statement for the year ended March 31, 2020**
**2(A). CASH AND CASH EQUIVALENTS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Cash on hand	116.64	62.39	57.51
Balance with banks			
Current accounts	10,456.41	13,223.59	5,599.42
Saving accounts	-	28.83	981.54
Exchange Earners Foreign Currency (EEFC) accounts	954.00	4,848.61	2,367.79
Deposit accounts with maturity of three months or less	290.62	1,055.80	-
	<u>11,817.67</u>	<u>19,219.22</u>	<u>9,006.26</u>

The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 30, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2020.

**2(B). BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>Earmarked balances with bank</b>			
Margin Money	289.22	344.37	340.19
Unclaimed dividend	655.45	637.02	652.75
Deposit accounts with maturity beyond three months upto twelve months	10.00	-	-
	<u>954.67</u>	<u>981.39</u>	<u>992.94</u>

**3. DERIVATIVE FINANCIAL INSTRUMENTS\***

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Derivatives carried at fair value through Other comprehensive income			
- Forward exchange contracts used for hedging	-	2,713.26	455.00
- Interest rate swaps used for hedging	-	372.00	703.74
Derivatives carried at fair value through profit and loss			
- Forward exchange contracts used for hedging	8.13	342.46	144.42
	<u>8.13</u>	<u>3,427.72</u>	<u>1,303.16</u>

\*Refer note 50

**Notes to consolidated financial statement for the year ended March 31, 2020**
**4. TRADE RECEIVABLES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Unsecured – considered good	89,298.74	103,154.23	68,141.68
Unsecured, credit impaired	360.55	248.64	1,583.08
	89,659.29	103,402.87	69,724.76
Less: Provision for credit impaired receivables	(360.55)	(248.64)	(1,583.08)
	<b>89,298.74</b>	<b>103,154.23</b>	<b>68,141.68</b>

**Notes**

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

(ii) Age of receivables :

Particulars	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Within the credit period	69,131.60	84,636.01	51,279.77
1 to 180 days past due	18,900.13	18,175.85	16,708.88
More than 180 days past due	1,627.56	591.01	1,736.11
<b>Total</b>	<b>89,659.29</b>	<b>103,402.87</b>	<b>69,724.76</b>

(iii) The group has entered into receivables purchase agreements with banks to unconditionally and irrevocably sell, transfer, assign and convey all the rights, titles and interest of the group in the receivables as identified. Receivables sold as on March 31, 2020 are of Rs. 50,254.93 lakhs (2019: Rs. 31,540.79 lakhs, 2018 : Rs. 43,772.12 lakhs). The group has derecognized these receivables as it has transferred its contractual rights to the banks with substantially all the risks and rewards of ownership and retains no control over these receivables as the banks have the right to further sell and transfer these receivables with notice to the group.

(iv) There are no major customer who represent more than 10% (2019 : Nil, 2018 : Nil) of the total balances of trade receivables.

(v) Refer Note 21.1 for information on trade receivables pledged as security by the group.



Notes to consolidated financial statement for the year ended March 31, 2020

5. LOANS

	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	At amortised Cost	At Fair value through OCI	At amortised Cost	At Fair value through OCI	At amortised Cost	At Fair value through OCI
<b>(A) Others</b>						
Corporate loans	1,311.64	-	1,311.64	-	1,282.35	-
Loans to employees	1,739.92	-	1,739.92	-	1,412.43	-
Less :- Impairment Loss allowances	(274.33)	-	(274.33)	-	(281.80)	-
<b>Total (A)</b>	<b>2,777.23</b>	<b>2,777.23</b>	<b>2,412.98</b>	<b>2,412.98</b>	<b>1,825.91</b>	<b>1,825.91</b>
<b>(B) Out of the above</b>						
<b>(I) Secured</b>						
Corporate loans	1,000.55	-	1,000.55	-	1,000.55	-
Loans to employees	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (I)</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>500.00</b>	<b>500.00</b>
<b>(II) Unsecured</b>						
Corporate loans	311.09	-	311.09	-	281.80	-
Loans to employees	1,739.93	-	1,739.93	-	1,412.42	-
Less :- Impairment Loss allowances	(274.33)	-	(274.33)	-	(281.80)	-
<b>Total (II)</b>	<b>1,776.69</b>	<b>1,776.69</b>	<b>1,412.42</b>	<b>1,412.42</b>	<b>1,325.91</b>	<b>1,325.91</b>
<b>Total (B)</b>	<b>2,777.24</b>	<b>2,777.24</b>	<b>2,412.97</b>	<b>2,412.97</b>	<b>1,825.91</b>	<b>1,825.91</b>
<b>(C) Out of above</b>						
<b>(i) Loans in India</b>						
Corporate loans	1,311.64	-	1,311.64	-	1,282.35	-
Loans to employees	1,739.93	-	1,739.93	-	1,412.43	-
Less: Impairment loss allowance	(274.33)	-	(274.33)	-	(281.80)	-
<b>Total (i)</b>	<b>2,777.24</b>	<b>2,777.24</b>	<b>2,412.98</b>	<b>2,412.98</b>	<b>1,825.91</b>	<b>1,825.91</b>
<b>(ii) Loans Outside India</b>						
Corporate loans	-	-	-	-	-	-
Loans to employees	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C)</b>	<b>2,777.24</b>	<b>2,777.24</b>	<b>2,412.98</b>	<b>2,412.98</b>	<b>1,825.91</b>	<b>1,825.91</b>



**Notes to consolidated financial statement for the year ended March 31, 2020**

**6. INVESTMENTS**

(Amount in lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	At amortised cost	At fair value through comprehensive income	Total	At amortised cost	At fair value through comprehensive income	Total	At amortised cost	At fair value through other comprehensive income	Total
In Mutual funds	-	1,324.00	19,049.37	-	-	10,250.87	-	-	9,399.90
Add: Fair value gain/ (losses)	-	(244.19)	800.59	-	-	647.77	-	-	337.27
	-	<b>1,079.81</b>	<b>19,849.96</b>	-	-	<b>10,898.64</b>	-	-	<b>9,737.17</b>
In Bonds, Debentures and Commercial Paper*	2,327.13	-	600.00	2,927.13	1,827.13	2,427.13	1,822.22	-	3,509.73
Less: Provision for doubtful debts	(6.79)	-	(6.79)	-	-	-	-	-	-
Add: Fair value gain/ (losses)	16.89	(450.00)	(433.11)	(2.13)	(45.35)	(47.48)	(30.48)	-	25.95
	<b>2,337.23</b>	-	<b>150.00</b>	<b>2,487.23</b>	<b>1,825.00</b>	<b>2,379.65</b>	<b>1,791.74</b>	-	<b>3,535.68</b>
In Equity Instruments	-	10,721.63	-	7,940.34	-	7,940.34	-	6,748.63	6,748.63
Add: Fair value gain/ (losses)	-	(1,464.78)	(1,464.78)	-	407.00	407.00	-	365.50	365.50
	-	<b>9,256.85</b>	-	<b>8,347.34</b>	-	<b>8,347.34</b>	-	<b>7,114.13</b>	-
In Convertible Preference Shares**	-	500.00	500.00	-	500.00	500.00	-	500.00	500.00
Add: Fair value gain/ (losses)	-	-	-	-	-	-	-	-	-
In Other Instruments	-	500.00	500.00	-	500.00	500.00	-	500.00	500.00
Add: Fair value gain/ (losses)	-	2,213.99	2,213.99	-	2,126.69	2,126.69	-	1,788.29	1,788.29
	-	<b>2,223.09</b>	<b>2,223.08</b>	-	<b>2,157.15</b>	<b>2,157.15</b>	-	<b>1,827.99</b>	-
<b>Total Investments</b>	<b>2,337.23</b>	<b>10,336.66</b>	<b>22,723.05</b>	<b>1,825.00</b>	<b>8,347.34</b>	<b>14,110.44</b>	<b>24,282.78</b>	<b>7,114.13</b>	<b>15,600.84</b>
<b>Out of above</b>									
In India	2,337.23	10,336.66	22,723.05	1,825.00	8,347.34	14,110.44	24,282.78	7,114.13	15,600.84
Outside India	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,337.23</b>	<b>10,336.66</b>	<b>22,723.05</b>	<b>1,825.00</b>	<b>8,347.34</b>	<b>14,110.44</b>	<b>24,282.78</b>	<b>7,114.13</b>	<b>15,600.84</b>

\*Tax Free Bonds Rs. 759.27 lakhs pledged with HDFC Bank Ltd against the credit facility.

\*\*Fair value not available due to unavailability of sufficient recent informations, hence valued at cost in accordance with para B.5.2.3 of IND-AS 109.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**7. OTHER FINANCIAL ASSET**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Interest accrued but not due on non-current investments	94.30	68.27	12.43
Security deposit	4,937.98	2,863.42	2,940.50
Contract assets	-	2,551.63	-
Insurance claim recoverable	578.64	1,721.86	3,134.43
Government grant and claims recoverable	17,969.56	12,679.68	10,075.62
Others	304.84	187.37	336.60
	<b><u>23,885.32</u></b>	<b><u>20,072.24</u></b>	<b><u>16,499.58</u></b>

**8. INVENTORIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Raw material (including packing material)	51,259.30	60,810.74	48,195.12
Stock in progress	15,645.12	14,759.56	11,096.75
Finished goods	28,123.56	22,585.90	19,496.32
Stores and spares (including fuel)	24,392.64	23,817.39	16,629.26
Traded goods	701.97	500.42	401.04
Others -stock of uniform and Books	61.85	60.30	37.21
	<b><u>120,184.44</u></b>	<b><u>122,534.31</u></b>	<b><u>95,855.70</u></b>
<b>Goods-in-transit, included above :</b>			
Raw material (including packing material)	18,333.21	21,429.14	17,460.59
Stock in progress	-	9.29	8.19
Finished goods	3,583.01	4,877.80	3,119.85
Stores and spares (including fuel)	259.16	140.74	5.12
Traded goods	202.39	208.43	232.69
	<b><u>22,377.77</u></b>	<b><u>26,665.41</u></b>	<b><u>20,826.44</u></b>

**Notes**

- (i) The cost of inventories recognised as an expense includes Rs. 1,056.44 lakhs (2019 : Rs. 443.10 lakhs) in respect of write-downs of inventory to net realisable value.
- (ii) Refer Note 21.1 for information on inventories pledged as security by the group.
- (iii) The method of valuation of inventory has been stated in note 1.B.13

**9. CURRENT TAX ASSETS (NET)**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Advance Tax (net of provisions and refunds)	3,886.81	1,971.01	2,254.34
	<b><u>3,886.81</u></b>	<b><u>1,971.01</u></b>	<b><u>2,254.34</u></b>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**10. DEFERRED TAX ASSETS (NET)**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
The following is the analysis of deferred tax assets (liabilities) presented in balance sheet.			
Deferred tax assets	47,470.02	38,233.75	29,796.24
Deferred tax liabilities	(63,121.22)	(72,303.33)	(58,973.03)
<b>Deferred tax liabilities, net</b>	<b><u>(15,651.20)</u></b>	<b><u>(34,069.58)</u></b>	<b><u>(29,176.79)</u></b>
Net Deferred tax assets after set off	1,898.65	128.62	111.96
Net Deferred tax liabilities after set off	17,549.86	34,198.20	29,288.75

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

2019-20	Opening balance	Recognised in profit and loss account		Recognised in other comprehensive income	FCTR for the year	Closing Balance
		Continuing operations	Discontinued operations			
<b>Deferred Tax Assets</b>						
Expenses deductible in future years	3,070.82	(88.36)	-	-	(172.37)	2,810.09
Provision for credit impaired loans /receivables	80.22	10.19	-	-	-	90.41
MAT Credit Entitlement	33,346.54	3,591.72	-	-	-	36,938.26
Cash flow hedges	-	-	-	4,229.07	-	4,229.07
Effect of fair value change in financial assets	(146.93)	-	-	309.34	-	162.41
Unabsorbed carried forward losses	1,061.52	398.41	856.90	-	(19.27)	2,297.56
Others	821.58	(109.56)	-	286.00	(55.79)	942.23
<b>Total</b>	<b>38,233.75</b>	<b>3,802.40</b>	<b>856.90</b>	<b>4,824.41</b>	<b>(247.43)</b>	<b>47,470.02</b>
<b>Deferred Tax Liabilities</b>						
Property plant and equipment and intangible assets	(69,835.08)	7,201.01	-	-	874.10	(61,759.98)
Investment in mutual funds	(824.05)	29.06	-	-	-	(794.99)
Effect of fair value change in financial assets	(0.03)	-	-	52.75	-	52.72
Cash flow hedges	(1,529.37)	-	-	1,529.37	-	-
Others	(114.80)	(504.17)	-	-	-	(618.97)
	(72,303.33)	6,725.89	-	1,582.12	874.10	(63,121.22)
<b>Total</b>	<b>(34,069.59)</b>	<b>10,528.29</b>	<b>856.90</b>	<b>6,406.52</b>	<b>626.67</b>	<b>(15,651.20)</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**

2018-19	Opening balance	Recognised in profit and loss account		Recognised in other comprehensive income	FCTR for the year	Closing Balance
		Continuing operations	Discontinued operations			
<b>Deferred Tax Assets</b>						
Expenses deductible in future years	3,015.58	61.65	-	-	(6.41)	3,070.82
Provision for credit impaired loans /receivables	76.51	4.46	-	-	(0.75)	80.22
MAT Credit Entitlement	24,416.25	8,930.29	-	-	-	33,346.54
Effect of fair value change in financial assets	(2.66)	(144.27)	-	-	-	(146.93)
Unabsorbed carried forward losses	1,861.43	(580.51)	-	-	(219.40)	1,061.52
Others	429.14	651.33	-	-	(258.89)	821.58
<b>Total</b>	<b>29,796.24</b>	<b>8,922.95</b>	<b>-</b>	<b>-</b>	<b>(485.45)</b>	<b>38,233.75</b>
<b>Deferred Tax Liabilities</b>						
Property plant and equipment and intangible assets	(58,482.86)	(12,384.23)	-	-	1,032.00	(69,835.08)
Investment in mutual funds	(600.00)	(224.05)	-	-	-	(824.05)
Effect of fair value change in financial assets	(151.23)	151.20	-	-	-	(0.03)
Cash flow hedges	375.85	-	-	(1,905.22)	-	(1,529.37)
Others	(114.80)	-	-	-	-	(114.80)
	(58,973.03)	(12,457.08)	-	(1,905.22)	1,032.00	(72,303.33)
<b>Total</b>	<b>(29,176.79)</b>	<b>(3,534.13)</b>	<b>-</b>	<b>(1,905.22)</b>	<b>546.55</b>	<b>(34,069.59)</b>

- i) At March 31, 2020, there was no recognised deferred tax liability (2019 : Nil, 2018 : Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries. The Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.
- ii) Section 115BAA of the Income Tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019. Based on the current estimate of expected timing of exercising of the option under Section 115BAA, the group has re-measured its deferred tax balances. Consequently, credit of Rs. 13,610.53 Lakhs (net of MAT adjustment of Rs. 7,402.00 Lakhs) has been recorded in the Statement of Profit and Loss during the year.
- iii) MAT credit entitlement of Rs. 7,402.00 Lakhs (out of total Rs. 8,785.00 Lakhs generated during the year) expiring in the financial year ending March 31, 2035 is not recognised in the statement of profit and loss of the current year, due to expected timing of exercising of the option under section 115BAA of Income Tax Act, 1961.
- iv) As at March 31, 2019 there were capital losses of Rs. 18,631.77 Lakhs expiring in the financial year ending March 31, 2023 (2018- Capital losses of Rs. 9,725.33 Lakhs expiring in the financial year ending March 31, 2019) on which no deferred tax asset was created, due to lack of probability of future capital gains against which such deferred tax assets can be realised. Pursuant to recognition of long term capital gain in the current year, such capital losses have been set-off. Also refer note 52 (A).



**Notes to consolidated financial statement for the year ended March 31, 2020**
**11. INVESTMENT PROPERTY**

Amount in lakhs

Particulars	Building at Gurgaon-1	Building at Gurgaon-2	Building at Mumbai	Building at Utrakhand	Total
<b>Year ended 31 March 2019</b>					
<b>Gross carrying amount</b>					
Opening	1,919.95	668.33	309.48	309.59	3,207.35
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1,919.95</b>	<b>668.33</b>	<b>309.48</b>	<b>309.59</b>	<b>3,207.35</b>
<b>Accumulated depreciation</b>					
Opening	-	-	-	-	-
Depreciation charge during the year	38.29	11.04	5.61	5.44	60.38
Disposals	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>38.29</b>	<b>11.04</b>	<b>5.61</b>	<b>5.44</b>	<b>60.38</b>
<b>Net carrying amount</b>	<b>1,881.66</b>	<b>657.29</b>	<b>303.87</b>	<b>304.15</b>	<b>3,146.97</b>
<b>Year ended 31 March 2020</b>					
<b>Gross carrying amount</b>					
Opening	1,919.95	668.33	309.48	309.59	3,207.35
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1,919.95</b>	<b>668.33</b>	<b>309.48</b>	<b>309.59</b>	<b>3,207.35</b>
<b>Accumulated depreciation</b>					
Opening	38.29	11.04	5.61	5.44	60.38
Depreciation charge during the year	38.29	11.04	5.61	5.41	60.35
<b>Closing accumulated depreciation</b>	<b>76.58</b>	<b>22.08</b>	<b>11.22</b>	<b>10.85</b>	<b>120.73</b>
<b>Net carrying amount</b>	<b>1,843.37</b>	<b>646.25</b>	<b>298.26</b>	<b>298.74</b>	<b>3,086.62</b>

**Deemed Cost as on 01-04-2018**
**Additional Disclosure:**

Amount in lakhs

Particulars	Building at Gurgaon-1	Building at Gurgaon-2	Building at Mumbai	Building at Utrakhand	Total
Gross Block as on April 1, 2018	2,402.61	697.20	353.02	341.35	3,794.18
Accumulated Depreciation as on April 1, 2018	482.66	28.87	43.54	31.77	586.84
<b>Net Block treated as Deemed cost upon transition</b>	<b>1,919.95</b>	<b>668.33</b>	<b>309.48</b>	<b>309.58</b>	<b>3,207.34</b>



## Notes to consolidated financial statement for the year ended March 31, 2020

## 12. PROPERTY, PLANT AND EQUIPMENT

Amount in lakhs

Particulars	Amount in lakhs							Total	
	Freehold land	Roads	Buildings	Plant & equipment	Furniture and fixtures	Office equipment	Vehicle		Others
<b>Cost</b>									
<b>Balance at April 1, 2018</b>	<b>35,864.49</b>	<b>6,082.13</b>	<b>79,437.99</b>	<b>450,593.05</b>	<b>2,857.84</b>	<b>4,725.77</b>	<b>3,715.68</b>	<b>31.47</b>	<b>583,308.42</b>
Additions/adjustments	-	386.92	6,144.93	80,388.69	236.33	1,390.47	942.58	24.93	89,514.85
Disposals/adjustments	-	-	(5.35)	(488.91)	(50.26)	(108.12)	(527.64)	-	(1,180.28)
Effect of foreign currency exchange differences	(73.02)	(69.64)	(796.07)	(3,357.14)	(3.93)	(7.72)	2.52	6.08	(4,298.92)
<b>Balance at March 31, 2019</b>	<b>35,791.47</b>	<b>6,399.41</b>	<b>84,781.50</b>	<b>527,135.69</b>	<b>3,039.98</b>	<b>6,000.40</b>	<b>4,133.14</b>	<b>62.48</b>	<b>667,344.07</b>
Additions/adjustments	2,615.80	1,168.46	4,461.26	91,076.61	313.27	908.63	1,014.33	15.18	101,573.54
Disposals/adjustments	(131.79)	(99.45)	(4,837.26)	(9,382.97)	(83.03)	(261.78)	(784.90)	(4.38)	(15,585.57)
Effect of foreign currency exchange differences	18.92	(46.22)	(441.78)	(614.11)	9.96	1.32	3.12	10.81	(1,057.97)
<b>Balance at March 31, 2020</b>	<b>38,294.40</b>	<b>7,422.20</b>	<b>83,963.72</b>	<b>608,215.22</b>	<b>3,280.18</b>	<b>6,648.57</b>	<b>4,365.69</b>	<b>84.09</b>	<b>752,274.07</b>
<b>Accumulated depreciation</b>									
<b>Balance at April 1, 2018</b>	-	<b>429.65</b>	<b>6,671.57</b>	<b>70,773.59</b>	<b>671.67</b>	<b>2,077.53</b>	<b>1,374.03</b>	-	<b>81,998.04</b>
Depreciation expenses									
- Continuing operations	-	157.71	2,291.92	30,634.74	279.00	890.07	744.46	20.75	35,018.65
- Discontinued operations	-	1.48	327.03	455.31	6.69	38.12	18.58	-	847.21
Disposals/adjustments	-	-	(1.72)	(270.48)	(8.58)	(78.77)	(330.99)	-	(690.55)
Effect of foreign currency exchange differences	-	(3.06)	(49.99)	(270.50)	2.60	(12.32)	1.24	5.25	(326.79)
<b>Balance at March 31, 2019</b>	-	<b>585.78</b>	<b>9,238.81</b>	<b>101,322.66</b>	<b>951.38</b>	<b>2,914.63</b>	<b>1,807.32</b>	<b>26.00</b>	<b>116,846.56</b>
Depreciation expenses									
- Continuing operations	-	225.70	2,334.81	32,083.61	271.81	851.36	807.28	21.66	36,596.22
- Discontinued operations	-	-	169.76	190.34	1.23	61.56	4.43	-	427.31
Disposals/adjustments	-	(36.34)	(1,448.68)	(2,446.38)	(18.92)	(206.57)	(482.94)	(4.26)	(4,644.10)
Effect of foreign currency exchange differences	-	(1.82)	(19.61)	(123.20)	8.81	(0.04)	2.03	8.32	(125.52)
<b>Balance at March 31, 2020</b>	-	<b>773.32</b>	<b>10,275.09</b>	<b>131,027.03</b>	<b>1,214.31</b>	<b>3,620.94</b>	<b>2,138.12</b>	<b>51.72</b>	<b>149,100.47</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**12. PROPERTY, PLANT AND EQUIPMENT**

Particulars	Amount in lakhs								
	Freehold Land	Roads	Buildings	Plant & equipment	Furniture and fixtures	Office equipment	Vehicle	Others	Total
<b>Carrying Amount</b>									
<b>Balance at April 1, 2018</b>	<b>35,864.49</b>	<b>5,652.48</b>	<b>72,766.42</b>	<b>379,819.46</b>	<b>2,186.17</b>	<b>2,648.24</b>	<b>2,341.65</b>	<b>31.47</b>	<b>501,310.38</b>
Additions/adjustments	-	386.92	6,144.93	80,388.69	236.33	1,390.47	942.58	24.93	89,514.85
Disposals/adjustments	-	-	(3.62)	(218.43)	(41.66)	(29.34)	(196.65)	-	(489.70)
Depreciation expenses									
- Continuing operations	-	(157.71)	(2,291.92)	(30,634.74)	(279.00)	(890.07)	(744.46)	(20.75)	(35,018.65)
- Discontinued operations	-	(1.48)	(327.03)	(455.31)	(6.69)	(38.12)	(18.58)	-	(847.21)
Effects of foreign currency exchange differences	(73.02)	(66.57)	(746.07)	(3,086.65)	(6.53)	4.59	1.28	0.83	(3,972.15)
<b>Balance at March 31, 2019</b>	<b>35,791.47</b>	<b>5,813.63</b>	<b>75,542.70</b>	<b>425,813.03</b>	<b>2,088.62</b>	<b>3,085.77</b>	<b>2,325.82</b>	<b>36.48</b>	<b>550,497.55</b>
Additions/adjustments	2,615.80	1,188.46	4,461.26	91,076.61	313.27	908.63	1,014.33	15.18	101,573.54
Disposals/adjustments	(131.79)	(63.11)	(3,388.58)	(6,936.59)	(64.12)	(55.21)	(301.96)	(0.12)	(10,941.47)
Depreciation expenses									
- Continuing operations	-	(225.70)	(2,334.81)	(32,083.61)	(271.81)	(851.36)	(807.28)	(21.66)	(36,596.22)
- Discontinued operations	-	-	(169.76)	(190.34)	(1.23)	(61.56)	(4.43)	-	(427.31)
Effects of foreign currency exchange differences	18.92	(44.40)	(422.16)	(490.91)	1.15	1.36	1.09	2.49	(932.45)
<b>Balance at March 31, 2020</b>	<b>38,294.40</b>	<b>6,648.89</b>	<b>73,688.65</b>	<b>477,188.19</b>	<b>2,065.88</b>	<b>3,027.63</b>	<b>2,227.59</b>	<b>32.37</b>	<b>603,173.60</b>

**Notes:**

- (i) Borrowing cost capitalised during the year Rs. 2,430.49 Lakhs (2019: Rs.3,283.15 Lakhs) with a capitalisation rate ranging from 0.55% to 9.45% (2019: 4.36% to 8.80%)
- (ii) Out of the Industrial Freehold land measuring 32.41 acres at the group's plant in Gummidipoondi, the group does not have clear title to 2.43 acres.
- (iii) Capital expenditure incurred during the year includes Rs. 3,309.16 Lakhs (2019 : Rs. 406.00 Lakhs) on account of research and development. Depreciation for the year includes depreciation on assets deployed in research and development as per note 55 (a) below.
- (iv) Refer to note 21.1. for information on PPE pledged as security by the group.
- (v) Refer to note 55 (c) for additions/adjustments on account of exchange difference during the year .
- (vi) The group accounts for all capitalizations of property, plant and equipment through capital work in progress, and, therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and intangible assets.
- (vii) Disposals/adjustments includes property plant and equipment of discontinued operations. Refer note 52 below.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**13. RIGHT-OF-USE ASSETS**

Amount in lakhs

Particulars	Land *	Buildings	Plant & equipment	Total
<b>Balances at April 1, 2018</b>	<b>154.61</b>	-	-	<b>154.61</b>
Additions to right-of-use assets	-	-	-	-
Deletion of right-of-use assets	-	-	-	-
Depreciation charge for the year	(1.75)	-	-	(1.75)
<b>Balances at April 1, 2019</b>	<b>152.86</b>	-	-	<b>152.86</b>
Transition to IND-AS 116**	14,156.56	1,118.58	2,167.49	<b>17,442.63</b>
Additions to right-of-use assets	1,389.26	102.07	2,896.13	4,387.46
Deletion of right-of-use assets	(675.90)	-	-	(675.90)
Depreciation charge for the year	(155.55)	(676.18)	(843.57)	(1,675.30)
<b>Balances at March 31, 2020</b>	<b>14,867.23</b>	<b>544.47</b>	<b>4,220.04</b>	<b>19,631.75</b>

\* The execution of lease deed of land in respect of 11,49,550 sq. mtrs. (Previous year : 1,081,250 sq. mtrs) of leasehold land allotted to the group by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending.

Lease liabilities	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<b>Lease liabilities included in the Balance Sheet as at March 31, 2020</b>	5,371.68	-	-
<b>Amounts recognised in Statement of Profit and Loss</b>			
Interest on lease liabilities	384.90		
Depreciation expense	1,175.87		
Expenses relating to short-term leases and leases of low-value assets	1,491.82		
<b>Amounts recognised in Cash Flow Statement</b>			
Total cash outflow for leases	1,887.23		

\*\*Subsidiary Company i.e. SRF Limited (alongwith its subsidiaries) has adopted Ind AS in earlier years. During the current year, SRF Limited (alongwith its subsidiaries) has adopted Ind AS 116, w.e.f. April 1, 2019 by using the modified retrospective approach and has not restated comparative information. This has resulted in recognising a right of-use asset of Rs. 20,720.39 lacs and a corresponding lease liability of Rs. 7,081.12 lacs as at April 1, 2019 alongwith reclassification of Rs. 13,639.27 lacs from noncurrent/current assets to right of use assets for prepaid operating lease rentals. Further in the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. There is no material impact on profit/(loss) after tax and earnings per share of SRF Limited (alongwith its subsidiaries) for the year ended March 31, 2020, on adoption of Ind AS 116.

The Company has availed exemption provided under para D17 of IND AS 101 and measured the assets and liabilities (including Right to Use and lease liability) of SRF Limited (alongwith its subsidiaries) at the same carrying amounts as in the financial statements of SRF Limited (alongwith its subsidiaries), after adjusting for consolidation.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**14. CAPITAL WORK IN PROGRESS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Capital work In progress	141,665.35	77,669.16	58,038.59
Impairment loss	(154.56)	-	-
	<u>141,510.79</u>	<u>77,669.16</u>	<u>58,038.59</u>

**15. GOODWILL**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>Cost</b>			
Opening	490.81	490.81	490.81
Additions	-	-	-
Disposals	(78.70)	-	-
<b>Balance</b>	<u>412.11</u>	<u>490.81</u>	<u>490.81</u>
<b>Impairment losses</b>			
Opening	83.00	83.00	83.00
Additions	266.81	-	-
Disposals	-	-	-
<b>Balance</b>	<u>349.81</u>	<u>83.00</u>	<u>83.00</u>
<b>Closing</b>	<u>62.30</u>	<u>407.81</u>	<u>407.81</u>
<b>Carrying amount</b>	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2018
SRF Industries Thailand Limited (Technical textile unit)	-	266.81	266.81
Engineering plastics units	-	78.70	78.70
Industrial yarn unit	62.30	62.30	62.30
	<u>62.30</u>	<u>407.81</u>	<u>407.81</u>

The group has allocated goodwill to the above mentioned cash generating units (CGU) and determined recoverable amount of this allocated goodwill using cash flow projections based on financial budget as approved by the directors of the Company.

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand in the current year, thus corresponding goodwill has been written off in special purpose consolidated statement of profit and loss (Previous year : Nil).

Disposals / impairment for the current year pertains to goodwill of discontinued operations. Refer note 52 below.

**16. OTHER INTANGIBLE ASSETS**
**Amount in lakhs**

Particulars	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
<b>Cost</b>					
<b>Balance at April 1, 2018</b>	7,632.61	4,452.58	2,480.78	1,873.87	16,439.84
Additions / adjustments	222.99	114.10	217.31	56.04	610.44
Disposals/adjustments	-	-	-	-	-
Effect of foreign currency exchange difference	-	-	1.20	-	1.20
<b>Balance at March 31, 2019</b>	7,855.60	4,566.68	2,699.29	1,929.91	17,051.48
Additions / adjustments	64.13	1,051.20	439.90	9.34	1,564.57
Disposals/adjustments	-	(99.35)	(35.26)	-	(134.61)
Effect of foreign currency exchange differences	-	-	1.73	-	1.73
<b>Balance at March 31, 2020</b>	7,919.73	5,518.52	3,105.67	1,939.23	18,483.17

**Notes to consolidated financial statement for the year ended March 31, 2020**

Accumulated amortisation	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
<b>Balance at April 1, 2018</b>	<b>1,102.72</b>	<b>370.55</b>	<b>1,719.31</b>	<b>1,840.23</b>	<b>5,032.81</b>
Amortisation expenses					
- Continuing operations	330.24	132.44	517.34	-	<b>980.02</b>
- Discontinued operations	-	19.54	3.18	-	<b>22.72</b>
Disposals/adjustments	-	-	-	-	-
Effects of foreign currency exchange differences	-	-	1.10	-	<b>1.10</b>
<b>Balance at March 31, 2019</b>	<b>1,432.96</b>	<b>522.54</b>	<b>2,240.93</b>	<b>1,840.23</b>	<b>6,036.65</b>
Amortisation expenses					
- Continuing operations	281.01	171.40	317.27	10.08	<b>779.77</b>
- Discontinued operations	-	-	1.82	-	<b>1.82</b>
Disposals/adjustments	-	(99.07)	(13.10)	-	<b>(112.17)</b>
Effects of foreign currency exchange differences			1.66		<b>1.66</b>
<b>Balance at March 31, 2020</b>	<b>1,713.97</b>	<b>594.87</b>	<b>2,548.58</b>	<b>1,850.31</b>	<b>6,707.73</b>

Carrying Amount	Trade Marks/ Brands	Technical Knowhow	Software	Others	Total
<b>Balance at April 1, 2018</b>	<b>6,529.89</b>	<b>4,082.02</b>	<b>761.47</b>	<b>33.64</b>	<b>11,407.02</b>
Additions / adjustments	222.99	114.10	217.31	56.04	<b>610.44</b>
Disposals/adjustments	-	-	-	-	-
Amortisation expenses					
- Continuing operations	(330.24)	(132.44)	(517.34)	-	<b>(980.02)</b>
- Discontinued operations	-	(19.54)	(3.18)	-	<b>(22.72)</b>
Effects of foreign currency exchange differences			0.10		<b>0.10</b>
<b>Balance at March 31, 2019</b>	<b>6,422.64</b>	<b>4,044.14</b>	<b>458.36</b>	<b>89.68</b>	<b>11,014.82</b>
Additions / adjustments	64.13	1,051.20	439.90	9.34	<b>1,564.57</b>
Disposals/adjustments	-	(0.28)	(22.16)	-	<b>(22.44)</b>
Amortisation expenses					
- Continuing operations	(281.01)	(171.40)	(317.27)	(10.08)	<b>(779.76)</b>
- Discontinued operations	-	-	(1.82)	-	<b>(1.82)</b>
Effects of foreign currency exchange differences			0.07		<b>0.07</b>
<b>Balance at March 31, 2020</b>	<b>6,205.76</b>	<b>4,923.66</b>	<b>557.09</b>	<b>88.94</b>	<b>11,775.44</b>

**Notes:**

- (i) Refer note 55 (c) for additions/adjustments on account of exchange difference during the year.
- (ii) Disposals/adjustments pertains to intangible assets of discontinued operations. Refer note 52 below.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**17. OTHER NON FINANCIAL ASSETS**

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Advance to Supplier	6,151.59	4,370.74	8,276.05
Prepaid expenses	1,057.10	1,574.52	1,249.90
Cenvat credit recoverable	14,873.41	30,124.48	30,141.37
Capital Advance	9,474.68	14,332.90	6,186.61
Export Incentives	6,366.52	4,240.40	3,465.17
Deposits with customs and excise authorities	828.99	1,261.72	704.15
Cenvat/Service tax/Goods and Services Tax/ sales tax recoverable	18.81	17.52	13.16
Claims recoverable under Post EPCG scheme and others	22.33	1,714.26	1,701.91
Prepaid lease*	-	13,639.15	9,565.65
Others	338.01	341.14	259.58
	<b><u>39,131.44</u></b>	<b><u>71,616.83</u></b>	<b><u>61,563.55</u></b>

\* Amount of prepaid lease has been reclassified to Right-of-use assets in accordance with IND AS 116 'Leases'. Also refer Note 13

**18. DERIVATIVE FINANCIAL INSTRUMENTS\***

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Derivatives carried at fair value through other comprehensive income			
- Forward exchange contracts used for hedging	6,562.25	425.78	36.18
- Interest rate swaps used for hedging	241.75	-	-
Derivatives carried at fair value through profit and loss			
- Forward exchange contracts used for hedging	258.01	-	-
	<b><u>7,062.01</u></b>	<b><u>425.78</u></b>	<b><u>36.18</u></b>

\*Refer note no. 50

**19. TRADE PAYABLES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Trade payables			
Total outstanding dues of micro enterprises and small enterprises #	3,036.34	1,824.21	1,935.03
Total outstanding dues of creditors other than micro enterprises and small enterprises			
- Acceptances*	9,259.00	14,052.00	-
- Other than acceptances	98,873.69	122,365.72	102,489.18
	<b><u>108,132.69</u></b>	<b><u>136,417.72</u></b>	<b><u>102,489.18</u></b>
	<b><u>111,169.03</u></b>	<b><u>138,241.93</u></b>	<b><u>104,424.21</u></b>

# Refer note 19.1

\* Acceptances represents invoices discounted by vendors with banks

## Notes to consolidated financial statement for the year ended March 31, 2020

### 19.1) 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.

Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
- Principal amount**	3,588.49	3,441.84	4,240.00
- Interest due thereon	-	1.00	70.40
[As at April 1, 2018 - Principal amount Rs. 4,240.00 lakhs, interest due thereon Rs. 70.40 lakhs]			
Amount of payments made to suppliers beyond the appointed day during the year			
- Principal amount	-	-	3,159.89
- Interest actually paid under section 16 of MSMED /settled	102.01	118.00	-
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			
	-	-	37.61
Interest accrued and remaining unpaid at the end of the year			
- Interest accrued during the year	-	1.00	108.01
- Interest remaining unpaid as at the end of the year	-	102.01	219.01
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			
	-	1.00	108.01

\*\* including payable to micro enterprise and small enterprise included in other financial liabilities (refer note 23)

### 20. DEBT SECURITIES

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
3,000 Nos., 7.33% (2019: 3,000 Nos. 7.33%, 2018: 3,000 Nos. 7.33%), listed, secured redeemable non-convertible debentures of Rs. 10 lakhs each*#	29,996.57	29,995.00	29,975.00
	<b>29,996.57</b>	<b>29,995.00</b>	<b>29,975.00</b>
*Debt Securities			
7.33%, Listed, Secured Redeemable Non-Convertible Debentures of Rs. 10 lakhs each	30,000.00	30,000.00	30,000.00

#### Terms and conditions

- Redeemable at face value in one single installment at the end of 3rd year from the date of allotment.
- Coupon is payable annually on 30th June every year.

Debentures are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh, Kashipur in the State of Uttarakhand (other than moveable assets of Laminated Fabrics Business) and Dahej in the State of Gujarat (excluding certain assets) and an equitable mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand.

#Gross of upfront fees paid Rs. 3.43 Lakhs (2019 : Rs. 5 Lakhs, 2018 : Rs. 25 lakhs)



**Notes to consolidated financial statement for the year ended March 31, 2020**
**21. BORROWINGS OTHER THAN DEBT INSTRUMENTS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Secured			
Term Loans from banks* @ (Refer note 21.1.1)	214,773.01	185,704.54	160,989.56
Term Loans from others*(Refer note 21.1.2)	28,159.42	36,964.92	47,341.54
Cash credits from banks (Refer note 21.1.3 (iv))	1,770.04	728.84	9,499.10
Cash credits from others (Refer note 21.1.3 (vi))	-	577.37	210.00
Unsecured			
Term Loans from Banks *#	130,752.59	119,624.83	62,105.07
Deferred payment liabilities	-	-	1,274.21
Cash credits from banks (Refer note 21.1.3 (iv))	-	-	2,998.72
	<b><u>375,455.06</u></b>	<b><u>343,600.50</u></b>	<b><u>284,418.20</u></b>
In INDIA	302,864.51	329,617.92	225,709.29
Outside INDIA	72,590.55	13,982.58	58,708.91
	<b><u>375,455.06</u></b>	<b><u>343,600.50</u></b>	<b><u>284,418.20</u></b>

\* Above amount of borrowings are net of upfront fees paid Rs. 940.07 lakhs (2019 : Rs. 828.57 lakhs, 2018 : Rs.987.26 lakhs)

# Includes Rs. 20,000.00 lakhs (2019 : Rs. 40,000.00 lakhs, 2018 : Rs.10,000.00 lakhs ) for Commercial Paper issued by the Company. The maximum amount due during the year is Rs. 40,000.00 lakhs (2019 : Rs. 40,000.00 lakhs)

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

@ Tax Free Bonds Rs. 759.27 lakhs pledged with HDFC Bank Ltd against the credit facility.

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

	Details of Loan	As at March 31, 2020 #	As at March 31, 2019 #	As at April 1, 2018 #	Security
1	(i) Term loan from Banks *	134,302.00	149,420.99	119,284.49	<b><u>Moveable property</u></b> (a)(i) Out of the loans included in 1(i), loans aggregating to Rs. 1,15,412.00 lakhs (2019: Rs. 1,32,147.24 lakhs**, 2018: Rs. 1,02,995.00 lakhs**) are secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets).

Details of Loan	As at March 31, 2020 #	As at March 31, 2019 #	As at April 1, 2018 #	Security
(ii) Term loans from Banks	-	-	26,062.43	<p>(a)(ii) Out of the loans as at 1(i), loans aggregating to Rs. 18,890.00 lakhs (2019 : Rs. 17,273.75 lakhs **, 2018 : Nil) are in the process of being secured by hypothecation of Company's moveable properties, both present and future, situated at Manali, Viralimalai (other than moveable assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Special Economic Zone, Indore in the State of Madhya Pradesh and Kashipur (other than moveable assets of Laminated Fabrics Business) in the State of Uttarakhand and Dahej in the State of Gujarat (save and except certain assets)</p> <p>Out of the loan included in 1(i)(a)(i) above, loan amounting to Nil (2019 : Nil, 2018 : Rs. 16,289.49 lakhs) was in the process of being additionally secured by hypothecation of Company's moveable properties both present and future, at Dahej in the State of Gujarat (save and except certain assets).</p> <p><b>Immoveable property</b></p> <p>(b)(i) Out of the loans included in 1(i) above, loans aggregating to Rs. 1,34,302.15 lakhs (2019 : Rs. 92,873.63 lakhs, 2018 : Rs. 1,19,283.21 lakhs) are secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu and Kashipur in the State of Uttarakhand.</p> <p>(b)(ii) Out of loans included in 1(b)(i) above, Rs. 54,456.31 lakhs (2019 : Rs. 88,223.63 lakhs, 2018 : Rs. 1,14,433.21 lakhs ) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.</p> <p>(b)(iii) Out of the loans as at 1(b)(i) loans aggregating to Rs. 7,556.00 lakhs (2019 : Rs. 17,086.78 lakhs, 2018 : Rs. 42,605.56 lakhs) are additionally secured by equitable Mortgage of Company's immoveable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).</p> <p>(b)(iv) Out of the loans as at 1(i), the term loans aggregating to:</p> <p>(a) Rs. 56,547.50 lakhs was in the process of being additionally secured by equitable mortgage of immoveable properties at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the state of Rajasthan and Kashipur in the State of Uttarakhand in the previous year. Charge against these assets have been created in the current year.</p> <p>(b) Rs 4,350.00 lakhs (2019 : Rs. 4,650.00 lakhs, 2018 : Rs. 4,850.00 lakhs) is in the process of being additionally secured by equitable mortgage of Company's immoveable properties, both present and future, situated at Jhiwana in the State of Rajasthan.</p> <p>Term loan in of USD Nil (2019 : Nil, 2018 : USD. 40.00 million) was secured by a standby documentary credit of USD 40.50 million issued by The Hong Kong &amp; Shanghai Banking Corporation Limited, India which is to be secured by an equitable mortgage of the immoveable properties of the Company in Manali in the State of Tamil Nadu.</p>

	Details of Loan	As at March 31, 2020 #	As at March 31, 2019 #	As at April 1, 2018 #	Security
	iii) Term loans from banks	-	3,454.50	5,864.04	Term loans from banks aggregating to Nil (2019 : Rs. 3,454.50 lakhs, 2018 : Rs.5,864.04 lakhs) are secured by hypothecation of Company's certain moveable assets situated at Dahej in the State of Gujarat.
	iv) Term loans from banks	<b>39,569.15</b>	-	-	Term loan is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV, mortgage of land and building of SRF Europe Kft and exclusive charge over the fixed assets of SRF Europe Kft.
	v) Term loans from banks	<b>16,100.00</b>	-	-	Term loan is secured by mortgage of land, building and/or any construction in future of Packaging film Factory (SRF Industries (Thailand) Ltd).
2	(i) Term loan from others	-	4,182.51	9,818.50	Term loan availed from International Finance Corporation, Washington is secured by pledge of the machineries and by mortgage on land and building of SRF Industries (Thailand) Limited.
	(ii) Term loans from Others	<b>6,047.94</b>	8,981.53	11,727.50	Term loan availed from International Finance Corporation, Washington is secured by continuing coverage mortgage bond over the land, special notarial bond and general notarial bond over the property of in SRF Flexipak (South Africa) (Pty) Limited.
	(iii) Term loans from others	<b>22,166.28</b>	23,953.50	26,061.46	Loan of Rs. 22,166.28 lakhs (2019 : Rs. 23,953.50 lakhs, 2018 : Rs. 26,061.46 lakhs) is secured by the hypothecation and equitable mortgage of Company's moveable and immoveable properties at Dhar in the State of Madhya Pradesh.
3	(i) Cash credit/ working capital demand loans	-	35.84	9,499.10	Secured by hypothecation of stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai (other than current assets of Coated Fabrics Business) and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur (other than current assets of Laminated Fabrics Business) in the State of Uttarakhand.
	(ii) Term loan from banks	<b>24,445.00</b>	33,500.00	10,474.94	
	(iii) Bank Guarantees and other working capital	<b>1,238.70</b>	-	-	Working capital facilities is secured by pledge of 85% of the share capital of SRF Europe Kft held by SRF Global BV and pledge over receivables arising out of trade agreements
	(iv) Working capital facilities	<b>1,000.04</b>	693.00	-	Working capital facilities availed by SRF Flexipak (South Africa) (Pty) Ltd. are secured by cession of debtors and limited cession and pledge of credit balances
	(vi) Cash credit from bank/Financial Institution	<b>770.00</b>	577.37	210.00	Secured by pledge of Tax Free Bonds.

\*Such hypothecation and equitable mortgage as at 1 and 2 rank pari-passu between term loans from banks / others (save and except hypothecation of certain moveable assets at Dahej in the State of Gujarat in favour of a bank as at 2(iii) above) in 2019 and 2018.

\*\*Loans representing 2019 and 2018 figures were also secured by the moveable assets at Pantnagar, Uttarakhand, moveable assets of Coated Fabrics at Viralimalai, Tamil Nadu and moveables assets of Laminated Fabrics at Kashipur, Uttarakhand

# Gross of upfront fees paid Rs. 936.64 Lakhs (2019 : Rs. 823.57 Lakhs, 2018 : Rs. 962.26 lakhs)

**Notes to consolidated financial statement for the year ended March 31, 2020**
**21.2 Terms of loans**
**As at March 31, 2020**

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2021	Up to March 31, 2022	Up to March 31, 2023	From 2023 to 2026
Rupee term loans	Half yearly instalment	Floating rate loan at 9.05%	500.00	600.00	3,250.00	-
	Quarterly Instalment	Floating rate loan at 7.40%	1,644.00	1,644.00	822.00	-
Foreign currency term loans	Yearly payments	Floating rate loan ranging from 7.65% to 8.25%	10,600.00	10,400.00	100.00	100.00
	Quarterly	Fixed Rate of 0.94% to floating Libor plus a spread ranging from 0.59% to 0.85% and EURIBOR plus 1.10% to uncapped EURIBOR plus 0.95%	20,112.18	27,508.76	27,952.03	59,585.57
	Half yearly instalments	Libor plus interest rate spread ranging from 1.80 % to 2.00% and MLR minus 3.775%	15,364.86	10,327.06	8,060.26	18,142.44
	Bullet	Fixed ranging from 0.97% to 6.65% to Libor plus interest rate spread ranging from 0.95% to 1.35%	-	22,668.00	40,696.92	-
			<b>48,221.04</b>	<b>73,147.82</b>	<b>80,881.21</b>	<b>77,828.01</b>

Amounts mentioned above are gross of upfront fees paid of Rs. 823.57 Lakhs

Borrowings of Rs. 113,316.06 lakhs are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from EURIBOR +15 bps to EURIBOR +18 bps & from LIBOR to LIBOR +50 bps. For rupee denominated short term loans taken during the year interest rate is at 6.28% to 8.25%.

**As at March 31, 2019**

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2020	Up to March 31, 2021	Up to March 31, 2022	From 2022 to 2026
Rupee term loans	Half yearly instalment	8.80% to 11.45%	496.71	500.00	600.00	3,250.00
	Quarterly Instalment	8.42%	2,505.00	4,980.00	4,980.00	2,490.00
	Yearly payments	8.60% to 8.90%	800.00	10,600.00	10,400.00	200.00
Foreign currency term loans	Quarterly	Fixed rate of 0.94% and floating rates of LIBOR plus spread ranging from 0.59% to 0.85%	-	16,288.60	21,717.89	35,330.77
	Half yearly instalments	Floating rate of LIBOR plus spread ranging from 1.30 % to 2.00%	24,755.96	14,048.40	5,757.00	12,901.07
	Bullet	Fixed rate of 0.05% to LIBOR plus spread ranging from of 1.03% to 1.30%	15,890.85	-	41,115.76	1,500.00
			<b>44,448.52</b>	<b>46,417.00</b>	<b>84,570.65</b>	<b>55,671.84</b>

Amounts mentioned above are gross of upfront fees paid of Rs. 823.57 Lakhs

Borrowings of Rs. 113,316.06 lakhs are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from EURIBOR +15 bps to EURIBOR +18 bps & from LIBOR to LIBOR +50 bps. For rupee denominated short term loans taken during the year interest rate is at 6.28% to 8.25%.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**As at April 1, 2018**

Loan Category	Frequency of principal repayments	Interest rate	Up to March 31, 2019	Up to March 31, 2020	Up to March 31, 2021	From 2021 to 2026
Rupee term loans	Half yearly instalments	8.60% to 11.00%	981.32	496.71	500.00	3,850.00
	Quarterly Instalments	7.05%	30.00	2,505.00	4,980.00	7,470.00
Foreign currency term loans	Quarterly instalments	0.94%	-	-	6,356.23	34,000.77
	Half yearly instalments	LIBOR plus spread ranging from 1.30 % to 1.85%	19,400.80	23,311.16	15,201.96	17,640.00
	One instalment a year	LIBOR plus spread 1.60%	3,257.75	-	-	-
	Bullet	Fixed rate of 0.05% and floating rate of LIBOR plus spread of 2.25%	14,985.65	16,288.75	26,062.00	1,500.33
			<b>38,655.52</b>	<b>42,601.62</b>	<b>53,100.19</b>	<b>64,461.10</b>

Amounts mentioned above are gross of upfront fees paid of Rs. 962.26 Lakhs

Borrowings of Rs. 85287.83 lakhs are payable in one installment within one year. For short term borrowings in foreign currency, interest rates range from EURIBOR +15 bps to EURIBOR +18 bps & from LIBOR to LIBOR +50 bps. For rupee denominated short term loans taken interest rate is 6.28% to 8.25%.

**Terms of repayment**

- Rupee term loans of Rs. 196.56 lakhs (2019 : Rs. 196.56 lakhs repayable in one half yearly instalment in September 2019, 2018 : Rs. 603.82 lakhs repayable in three half yearly instalment in September 2018) was repaid in current year .
- Rupee term loans of Rs. 4,350.00 lakhs (2019: Rs. 4,650.00 lakhs repayable in 7 half yearly instalments from August 2019, 2018 : Rs. 4,850.49 lakhs repayable in 9 half yearly instalments from August 2018) are repayable in 5 half yearly instalments from August 2020.
- Rupee term loans of Nil (2019 : Rupee term loans of 374.22 lakhs were repaid , 2018 : Rs. 374.22 lakhs repayable in 1 half yearly instalments in September 2018).
- Foreign currency term loan of Nil (2019 : Foreign currency term loan of Rs.651.55 lakhs were repaid, 2018: Rs. 651.55 lakhs is repayable in one yearly instalment in October 2018)
- Foreign currency term loan of Nil (2019 : Foreign currency term loan of Rs. 2,606.20 lakhs were repaid, 2018 : Rs. 2,606.20 lakhs is repayable in one yearly instalment in December 2018)
- Rupee term loans of Rs. 4,110.00 lakhs (2019: Rs. 14,955.00 lakhs repayable in 14 quarterly instalments from June 2019, 2018 : Rs.14,985.00 lakhs repayable in 18 quarterly instalments from June 2018) are repayable in 10 quarterly instalments from June 2020.
- Rupee term loans of Rs. 20,000.00 lakhs (2019: Rs. 20,000.00 lakhs repayable in 2 annual instalments from August 2020, 2018 : Nil) are repayable in 2 annual instalments from August 2020.
- Rupee term loans of Rs. 1,200.00 lakhs (2019: Rs. 2,000.00 lakhs repayable in 5 annual instalments from December 2019, 2018 : Nil ) are repayable in 4 annual instalments from December 2020.

**Notes to consolidated financial statement for the year ended March 31, 2020**

- 9 Foreign currency term loan of Rs. 18,889.98 lakhs (2019: Rs. 17,273.63 lakhs repayable in 8 quarterly instalments from September 2020, 2018 : Nil) are repayable in 8 quarterly instalments from September 2020.
- 10 Foreign currency term loan of Rs. 41,290.00 lakhs (2019: Rs. 38,790.00 lakhs repayable in 19 quarterly instalments from August 2020, 2018 : Rs. 40,357.00 lakhs repayable in 19 quarterly instalments from August 2020) are repayable in 19 quarterly instalments from August 2020.
- 11 Foreign currency term loan of Rs. 18,889.98 lakhs (2019: Rs. 17,274.43 lakhs repayable in 14 quarterly instalments from July 2020, 2018 : Nil ) are repayable in 14 quarterly instalments from July 2020.
- 12 Foreign currency term loan of Rs. 3,454.51 lakhs was repaid in current year (2019: Rs. 3,454.51 lakhs repayable in 2 half yearly instalments from September 2019, 2018 : Rs.5,863.95 lakhs repayable in 4 half yearly instalments from September 2018 ).
- 13 Foreign currency term loan of Rs. 3,071.65 lakhs was repaid in current year (2019: Rs. 3,071.65 lakhs repayable in 2 half yearly instalments from July 2019, 2018 : Rs. 5,792.23 lakhs repayable in 4 half yearly instalments from July 2018 )
- 14 Foreign currency term loan of Rs. 7,556.00 lakhs (2019: Rs. 13,817.51 lakhs repayable in 4 half yearly instalments from September 2019, Rs. 16,288.75 lakhs repayable in 5 half yearly instalments from March 2019) are repayable in 2 half yearly instalments from September 2020.
- 15 Foreign currency term loan of Rs. 22,166.00 lakhs (2019: Rs. 23,953.55 lakhs repayable in 13 half yearly instalments from April 2019, 2018 : Rs.26,062.00 lakhs repayable in 15 half yearly instalments from April 2018) are repayable in 11 half yearly instalments from April 2020.
- 16 Foreign currency term loan of Rs.15,891.48 lakhs was repaid in current year (2019: Rs. 15,891.48 lakhs, 2018 : Rs.14,985.65 lakhs are repayable in one bullet instalment in April 2019)
- 17 Foreign currency term loan of Rs. 1,500.00 lakhs (2019: Rs. 1,500.00 lakhs, 2018 : Rs. 1500.00 lakhs) are repayable in one bullet instalment in June 2022.
- 18 Foreign currency term loan of Rs. 16,516.12 lakhs (2019: Nil, 2018 : Nil ) are repayable in 12 quarterly instalments from July 2020.
- 19 Foreign currency term loan of Rs. 22,668.00 lakhs (2019: Nil 2018 : Nil) are repayable in one bullet instalment in December 2021.
- 20 Foreign currency term loan of Rs. 22,668.00 lakhs (2019: Nil, 2018 : Nil) are repayable in one bullet instalment in December 2022.
- 21 Foreign currency term loan of Rs. 16,534.00 lakhs (2019: Nil, 2018 : Nil) are repayable in one bullet instalment in December 2022.
- 22 Foreign currency term loan of Rs. 6,045.00 lakhs (2019: Rs. 8,982.48 lakhs repayable in 6 half yearly instalments from May 2019, 2018 : Rs. 11,772.31 lakhs repayable in 8 half yearly instalments from May 2018) are repayable in 4 half yearly instalments from May 2020.
- 23 Foreign currency term loan of Rs. 39,569.00 lakhs (2019 Nil, 2018 : Nil) are repayable in 20 quarterly instalments from March 2022.
- 24 Foreign currency term loan of Rs. 16,126.00 lakhs (2019 Nil, 2018 : Nil) are repayable in 8 half yearly instalments from September 2021.
- 25 Foreign currency term loan Nil (2019 : Foreign currency term loan of Rs. 26,059.51 lakhs were repaid, 2018: Rs. 26,059.51 lakhs is repayable in one bullet instalment in March 2021).
- 26 Foreign currency term loan Nil (2019 : Foreign currency term loan of Rs. 16,288.75 lakhs were repaid, 2018 : Rs. 16,288.75 lakhs are repayable in one bullet instalment in March 2020).

**Notes to consolidated financial statement for the year ended March 31, 2020**

- 27 Foreign currency term loan of Rs. 41,111.76 lakhs was repaid in current year (2019: Rs. 41,111.76 lakhs is repayable in one bullet instalment in March 2022, 2018 : Nil)
- 28 Foreign currency term loan of Rs. 4,185.45 lakhs was repaid in current year (2019: Rs. 4,185.45 lakhs is repayable in 2 half yearly instalment from June 2019, 2018 : Rs.9,777.15 lakhs is repayable in 5 half yearly instalment from June 2018)

**22. SUBORDINATED LIABILITIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Liability portion of preference share	1,317.78	1,395.30	1,395.30
	<u>1,317.78</u>	<u>1,395.30</u>	<u>1,395.30</u>
<b>Out of above</b>			
In India	1,317.78	1,395.30	1,395.30
Outside India	-	-	-
	<u>1,317.78</u>	<u>1,395.30</u>	<u>1,395.30</u>

- i. Terms/rights attached to Non-Cumulative Redeemable Preference Shares.  
8% Non-Cumulative Redeemable Preference Shares are redeemable on or before March 31, 2031 at the discretion of Board of Directors of the Company in accordance with Memorandum & Article of Association.
- ii. During the year ended March 31, 2020, the Company has paid a dividend of INR 180.87 lakhs on preference shares of INR 10 each fully paid (previous year INR 103.36 lakhs).

**23. OTHER FINANCIAL LIABILITIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Unclaimed dividends*	655.45	637.02	652.81
Expenses Payable	7.91	8.64	5.08
Security Deposit	845.78	744.86	755.20
Interest accrued and due on borrowings	2,914.04	3,163.33	2,510.50
Other payables -Salaries and benefits	11.37	70.08	4.81
Payables to capital creditors			
Total outstanding dues of micro enterprises and small enterprises	552.15	1,719.64	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,590.42	8,442.51	10,148.40
Other payable	3,547.58	1,321.47	175.57
	<u>30,124.70</u>	<u>16,107.55</u>	<u>14,252.37</u>

\* Amount will be credited to investor education and protection fund if not claimed within seven years from the date of issue of dividend.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**24. CURRENT TAX LIABILITIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Provision for tax	1,032.84	1,036.69	1,557.29
	<u>1,032.84</u>	<u>1,036.69</u>	<u>1,557.29</u>

**25. PROVISIONS**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>Provision for Employee benefits</b>			
Provision for compensated absence (Refer note 47.3)	3,942.55	3,257.92	2,803.38
Provision for retention pay (Refer note 47.3)	162.88	949.68	842.22
Other employee benefits	442.66	294.70	224.64
	<u>4,548.09</u>	<u>4,502.29</u>	<u>3,870.24</u>

**26. OTHER NON-FINANCIAL LIABILITIES**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Statutory dues	2,229.83	1,270.19	3,094.91
Income received in advance	126.95	61.95	62.17
Deferred government grants	1,399.83	1,853.82	3,426.30
Payable to Gratuity Trust	1,582.50	830.22	675.02
Contract liability (Refer note 51)	1,267.53	1,669.20	3,312.37
Others	4,209.16	3,376.99	2,847.19
	<u>10,815.80</u>	<u>9,062.38</u>	<u>13,417.97</u>

\* The Company has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The Company has met its export obligations against this grant in the current year. Export obligation as on March 31, 2019 was Rs. 2,517.78 lakhs (2018 : Rs.14,568.12 lakhs).

Further, the group has received financial assistance from the Industrial Development Corporation of South Africa for the development of the clothing and textiles competitiveness programme - RCF in respect of its property, plant and equipment.

The unamortised grant amount as on March 31, 2020 is Rs. 1,399.83 Lakhs (2019 : Rs 1,853.09 Lakhs, 2018 : Rs 3,426.30 Lakhs).



**Notes to consolidated financial statement for the year ended March 31, 2020**
**27. EQUITY SHARE CAPITAL**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>AUTHORISED</b>			
10,000,000 (Previous Year - 10,000,000) Equity shares of Rs. 10 each	1,000.00	1,000.00	1,000.00
13,000,000 (Previous Year - 13,000,000) Preference Shares of Rs. 10 each	1,300.00	1,300.00	1,300.00
	<u>2,300.00</u>	<u>2,300.00</u>	<u>2,300.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
6,452,615 (Previous Year - 6,452,615) Equity Shares of Rs. 10 each fully paid up	645.26	645.26	645.26
	<u>645.26</u>	<u>645.26</u>	<u>645.26</u>

a) There is no change in the share capital as compared to the previous year.

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

The parent has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The group declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the group.

During the year ended March 31, 2018, the amount of interim dividend recognised as distributions to equity shareholders was Rs.15 per share (2017 : Rs.15 per share).

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

**c) Terms/ rights attached to 8% Non-cumulative Redeemable Preference Shares:**

8% Non-cumulative Redeemable Preference Shares are redeemable on or before 31-Mar-2031 at the discretion of the Board of Directors of the Company in accordance with Memorandum & Articles of Association.

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	% age	(No. of shares)	% age	(No. of shares)	% age	(No. of shares)
<b>Equity</b>						
ABR Family Trust	75.00%	4,839,446	-	-	-	-
Arun Bharat Ram	-	-	37.50%	2,419,726	37.50%	2,419,726
Ashish Bharat Ram	-	-	18.75%	1,209,860	18.75%	1,209,860
Kartik Bharat Ram	-	-	18.75%	1,209,860	18.75%	1,209,860
<b>Preference</b>						
Arun Bharat Ram	49.45%	6,388,650	49.45%	6,388,650	49.45%	6,388,650
Ashish Bharat Ram	24.73%	3,194,325	24.73%	3,194,325	24.73%	3,194,325
Kartik Bharat Ram	24.73%	3,194,325	24.73%	3,194,325	24.73%	3,194,325

In the period of immediately preceding five years, the Company has not allotted any bonus shares.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**28. OTHER EQUITY**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
General reserve	62,558.97	62,558.97	62,558.97
Retained earnings	171,798.90	121,539.68	89,012.04
Cash flow hedging reserve	(4,107.74)	1,274.44	(357.09)
Capital redemption reserve	1,048.10	1,048.10	1,048.10
Capital reserve	41,928.83	41,928.83	41,928.83
Debenture redemption reserve	7,500.00	7,500.00	7,500.00
Foreign currency translation reserve	(737.73)	(194.64)	1,088.90
Amalgamation Reserve	252.58	252.58	252.58
Special Reserve u/s 45-IC of RBI Act, 1934	338.21	269.63	155.67
Employee Share based payment reserve	81.52	30.56	-
Equity Instrument Fair value Through OCI	(1,519.19)	209.43	203.03
	<b><u>279,142.45</u></b>	<b><u>236,417.58</u></b>	<b><u>203,391.03</u></b>

**General reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	62,558.97	62,558.97
Add: Transfer from Debenture redemption reserve	-	-
Balance at end of year	<b><u>62,558.97</u></b>	<b><u>62,558.97</u></b>

*The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit and loss.*

**Retained Earnings**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	121,539.68	89,012.04
Add: Profit for the year	53,023.99	34,042.52
Less: Interim dividend on equity shares	(1,935.78)	(967.89)
Less: Dividend distribution tax	(435.08)	(220.20)
Less: Transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(68.58)	(113.96)
Less: Other Comprehensive income arising from remeasurement of defined payment obligation	(325.33)	(21.31)
Less: Minority	-	(191.52)
Balance at end of year	<b><u>171,798.90</u></b>	<b><u>121,539.68</u></b>

*Retained earnings represents the surplus in profit and loss account and appropriations.*

**Notes to consolidated financial statement for the year ended March 31, 2020**
**Cash Flow Hedging Reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	1,274.44	(357.09)
Recognized/(reclassified) during the year	(5,382.18)	1,631.53
Balance at end of year	<u>(4,107.74)</u>	<u>1,274.44</u>

The Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

**Capital Redemption Reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	1,048.10	1,048.10
Movement	-	-
Balance at end of year	<u>1,048.10</u>	<u>1,048.10</u>

Capital Redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares. The reserve is utilised in accordance with the provision of the Act.

**Capital Reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	41,928.83	41,928.83
Add/(Less): Adjustment of Goodwill	-	-
Balance at end of year	<u>41,928.83</u>	<u>41,928.83</u>

Capital Reserve are the reserves created;

- a) as per Scheme of Arrangement for amalgamation of investment division of Narmada Farms Private Ltd, Bhairav Farms Private Limited, SRF Polymers Investments Limited into the company.
- b) amount received pursuant to Montreal Protocol Phase-out Programme of refrigerant gases.

**Debenture Redemption Reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	7,500.00	7,500.00
Less: Transfer to General Reserve	-	-
Balance at end of year	<u>7,500.00</u>	<u>7,500.00</u>

The Company has issued non-convertible debentures. In prior years, the Company has created debenture redemption reserve out of the profits of the Company available for payment of dividend.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**Foreign Currency Translation Reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	(194.64)	1,088.90
Exchange differences arising on translation of foreign operations	(543.09)	(1,283.54)
Balance at end of year	<u><u>(737.73)</u></u>	<u><u>(194.64)</u></u>

*Exchange differences relating to translation of the results and net assets of the group's foreign operations from their functional currency in to group presentation currency (i.e. Rs) are recognized in Other Comprehensive Income and accumulated in foreign currency translation reserve. Exchange differences previously accumulated in foreign currency translation reserve in respect of foreign operations are reclassified to statement of profit and loss on disposal of foreign operation.*

**Amalgamation Reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	252.58	252.58
Movement	-	-
Balance at end of year	<u><u>252.58</u></u>	<u><u>252.58</u></u>

*Amalgamation reserve is reserve created in accordance with the provisions of Companies Act, 2013.*

**Special Reserve u/s 45-IC of RBI Act, 1934**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	269.63	155.67
Transfer from surplus	68.58	113.96
Balance at end of year	<u><u>338.21</u></u>	<u><u>269.63</u></u>

*Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.*

**Employee Share based payment reserve**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	30.56	-
Less: Recognised in the statement of profit & loss	50.96	30.56
Balance at end of year	<u><u>81.52</u></u>	<u><u>30.56</u></u>

*The group has allotted equity shares to certain employees under an employee share purchase scheme. The share based payment reserve is used to recognise the value of equity-settled share based payments provided to the such employees as part of their remuneration. Refer note 48 for further details of the scheme.*

**Notes to consolidated financial statement for the year ended March 31, 2020**
**Equity Instrument through Other Comprehensive Income**

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Balance at beginning of year	209.43	203.03
Less: Recognised in the statement of profit & loss	(1,728.62)	6.41
Balance at end of year	<u>(1,519.19)</u>	<u>209.43</u>

*This reserves represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed of.*

**29. REVENUE FROM OPERATION\***

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
<b>a) Interest Income</b>		
Interest on Loan	240.63	174.82
interest from Customer	8.10	10.32
Interest from Investments	402.36	248.57
Interest on Tax free bonds	54.75	88.99
interest from others	1,393.48	340.68
	<u>2,099.32</u>	<u>863.38</u>
<b>b) Dividend Income</b>		
Dividend from investment	71.85	69.06
	<u>71.85</u>	<u>69.06</u>
<b>c) Rental income</b>	31.87	21.56
	<u>31.87</u>	<u>21.56</u>
<b>d) Net gain on fair value changes</b>	512.12	1,117.30
	<u>512.12</u>	<u>1,117.30</u>
<b>e) Sale of products(including Excise Duty)</b>		
Manufactured goods	694,191.78	688,220.36
Traded goods	12,020.00	6,768.76
	<u>706,211.78</u>	<u>694,989.12</u>
<b>f) Sale of services</b>		
Licence Fees	-	9.60
Project Management Fees	892.26	1,108.77
Annual Maintenance Fees	51.56	56.77
Students Fees	2,347.72	2,091.63
	<u>3,291.54</u>	<u>3,266.77</u>

	As at March 31, 2020 Rs./lakhs	As at April 1, 2019 Rs./lakhs
<b>g) Export and other incentives</b>	10,286.67	11,237.79
	<u>10,286.67</u>	<u>11,237.79</u>
<b>h) others</b>	4,442.29	3,732.70
	<u>4,442.29</u>	<u>3,732.70</u>
<b>Total revenue from Operation</b>	<u>726,947.44</u>	<u>715,297.68</u>

**Reconciliation of revenue from sale of products with the contracted price**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Contracted price	716,259.02	707,976.12
Less: Discounts, allowances and claims	(10,047.24)	(12,987.00)
<b>Sale of products</b>	<u>706,211.78</u>	<u>694,989.12</u>

\* Refer Note 52 C

**30. OTHER INCOME\***

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Interest received on Income Tax refunds	4.71	36.96
Non Operating Income	1,076.25	847.53
Exchange currency fluctuation	5.98	7.59
Provision / Liabilities no longer required written back	287.00	611.85
Profit on sale of fixed assets	1,285.31	0.01
	<u>2,659.26</u>	<u>1,503.94</u>

\* Refer Note 52 C

**31. FINANCE COST**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Interest on financial liability measured at amortised cost</b>		
Debt	2,199.00	2,199.00
Subordinated liabilities	103.36	103.36
Lease Liability	384.90	-
Term Loan from bank	14,661.13	15,229.18
Other Borrowing Cost	1,286.60	1,517.60
Exchange differences regarded as an adjustment to borrowing cost	1,316.62	937.28
	<u>19,951.61</u>	<u>19,986.42</u>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**32. COST OF MATERIAL CONSUMED**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Opening stock of Raw Materials		
-Continuing operations	57,301.09	43,650.71
-Discontinuing operations	<u>3,509.64</u>	<u>4,543.99</u>
	<b>60,810.73</b>	<b>48,194.70</b>
Add: Purchases of raw materials		
-Continuing operations	362,696.82	412,911.32
-Discontinuing operations	<u>8,123.93</u>	<u>37,918.70</u>
	<b>370,820.75</b>	<b>450,830.02</b>
Less: Closing stock of raw materials		
-Continuing operations	51,259.30	57,301.09
-Discontinuing operations	<u>-</u>	<u>3,509.64</u>
	<b>51,259.30</b>	<b>60,810.72</b>
<b>Cost of materials consumed *</b>		
-Continuing operations	<u>368,738.61</u>	<u>399,260.94</u>
-Discontinuing operations	<u>11,633.57</u>	<u>38,953.06</u>

\* Including packing material

**33. PURCHASE OF TRADED GOODS\***

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Purchases of Stock-in-trade	9,140.43	4,854.90
	<u>9,140.43</u>	<u>4,854.90</u>

\* Refer Note 52C

**Notes to consolidated financial statement for the year ended March 31, 2020**
**34. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Inventories at the end of the year:</b>		
- Continuing operations		
Stock-in-Process	15,645.12	13,964.55
Finished goods	28,123.56	20,948.90
Traded goods	701.97	500.42
	<b>44,470.65</b>	<b>35,413.87</b>
-Discontinuing operations		
Stock-in-Process	-	795.01
Finished goods	-	1,637.00
	-	<b>2,432.01</b>
<b>Effect of changes in exchange currency rates</b>		
-Continuing operations		
Stock-in-Process	(14.31)	185.90
Finished goods	(111.05)	(539.36)
	<b>(125.36)</b>	<b>(353.46)</b>
-Discontinuing operations		
Stock-in-Process	40.29	50.83
Finished goods	56.64	48.73
	<b>96.93</b>	<b>99.56</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>Inventories at the beginning of the year:</b>		
-Continuing operations		
Stock-in-Process	13,964.55	9,895.96
Finished goods	20,948.90	18,066.59
Traded goods	500.42	401.47
	<b>35,413.87</b>	<b>28,364.01</b>
-Discontinuing operations		
Stock-in-Process	-	1,201.04
Finished goods	795.01	1,429.42
Traded goods	1,637.00	-
	<b>2,432.01</b>	<b>2,630.46</b>
<b>Net (increase) / decrease</b>		
-Continuing operations	<b>(9,182.14)</b>	<b>(7,403.31)</b>
-Discontinuing operations	<b>2,528.94</b>	<b>298.00</b>



**Notes to consolidated financial statement for the year ended March 31, 2020**
**35. EMPLOYEE BENEFIT EXPENSES**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Salaries and wages including bonus	47,116.48	39,932.80
Contribution to provident and other funds	3,673.74	2,833.10
Workmen and staff welfare expenses	5,887.61	5,137.66
Share based payment expense (Refer note 48)	98.49	433.61
	<b><u>56,776.32</u></b>	<b><u>48,337.17</u></b>

**36. DEPRECIATION AND AMORTISATION**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Depreciation on Property, Plant and Equipment	36,689.80	35,080.77
Amortisation on intangible assets	748.43	980.00
Depreciation of Right of use assets	1,175.87	-
	<b><u>38,614.10</u></b>	<b><u>36,060.77</u></b>

\* Refer Note 52 C

**37. OTHER EXPENSES\***

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Stores & supplies consumed	6,647.08	5,886.85
Rent	1,491.82	2,271.18
Power & Fuel Charges	67,255.00	58,509.91
Exchange currency loss	350.11	2,389.22
Professional and legal charges	3,474.86	3,362.63
Payment to Auditors: #		
for Audit	170.54	138.70
for certification & others	19.05	19.30
for reimbursement of expenses	16.81	16.90
Directors' fees, allowance and expenses	113.66	86.05
Insurance Expenses	3,911.03	2,023.83
Rates & Taxes	3,656.33	3,490.93
Corporate Social Responsibility Activities**	1,215.10	1,057.50
Selling commission	2,101.71	2,400.76
Advertisement & Publicity	393.01	550.88
Repair & Maintenance		
- Buildings	669.95	537.00
- Plant and machinery	15,843.51	13,705.47

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
- Other maintainces	3,944.17	3,592.38
Communication Cost	676.75	734.02
Travelling & conveyance	1,984.35	2,157.07
Freight Charges	22,331.48	20,990.32
Printing & Stationery	396.19	408.84
Credit impaired assets provided / written off	359.06	249.37
Labour Production	4,492.06	3,913.57
Miscellaneous expenses@	12,258.32	9,379.91
	<b><u>153,771.95</u></b>	<b><u>137,872.58</u></b>

\* Refer note 52 C

\*\* Refer to note- 55(D)

# including fees paid to auditors of subsidiary companies

@ Miscellaneous expenses include Nil (Previous year : Rs. 450.00 Lakhs) as political contribution.

### 38. INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Tax expense related to continuing operations	457.12	18,173.77
Tax expense related to discontinued operations	5,266.26	841.08
	<b><u>5,723.38</u></b>	<b><u>19,014.85</u></b>
<b>a) Tax expense related to continuing operations</b>		
<b>Current tax</b>		
In relation to current year	12,301.89	14,805.50
Adjustment in relation to earlier years	(1,171.03)	(130.67)
	<b><u>11,130.86</u></b>	<b><u>14,674.83</u></b>
<b>Deferred tax</b>		
- MAT credit entitlement		
In relation to current year	(1,512.60)	(6,172.54)
Adjustment in relation to earlier years	(2,290.00)	(2,741.01)
	<b><u>(3,802.60)</u></b>	<b><u>(8,913.55)</u></b>
- Others		
In relation to current year	(7,561.24)	12,255.56
Adjustment in relation to earlier years	690.10	156.93
	<b><u>(6,871.14)</u></b>	<b><u>12,412.49</u></b>
<b>(b) Tax expense related to discontinued operations</b>		
<b>Current tax</b>		
In relation to current year	6,123.06	841.08
<b>Deferred tax</b>		
- Others		
In relation to current year	(857.30)	-
	<b><u>5,266.26</u></b>	<b><u>841.08</u></b>

**Notes to consolidated financial statement for the year ended March 31, 2020**

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

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Profit before tax</b>		
From continuing operations	91,795.82	77,832.15
From discontinued operations	15,585.49	5,845.61
	<b>107,381.31</b>	<b>83,677.76</b>
Income Tax Expenses @ 34.944% (Previous year @ 34.944%)	37,523.32	29,240.36
Effect of income taxable at lower rate	(2,653.26)	(98.67)
Effect of deductions (research and development and deductions under Chapter - VIA of Income Tax Act)	(7,673.96)	(4,560.92)
Effect of expenses that are not deductible in determining taxable profits	695.38	704.52
Effect of credit recognised on set-off of carried forward long term capital losses (Refer note (iii) below)	(4,340.46)	-
Effect of credit recognised on re-measurement of deferred tax balances pursuant to introduction of Section 115BAA by the Taxation Laws (Amendment) Ordinance, 2019 Refer to note 9(ii)	(13,610.53)	-
Effect of Nil tax/exemption of overseas subsidiaries	(865.80)	(1,700.81)
Effect of Deferred tax created on past accumulated losses	(1,124.28)	-
Effect of lower tax rates in overseas subsidiaries	427.47	(1,989.46)
Others	116.51	134.88
<b>Income tax expenses recognised in profit and loss in relation to current year</b>	<b>8,494.40</b>	<b>21,729.89</b>
Income tax expenses recognised in profit and loss in relation to earlier years (Refer note (ii) below)	(2,771.02)	(2,715.05)
<b>Total Income tax expenses recognised in profit and loss</b>	<b>5,723.37</b>	<b>19,014.85</b>

**Notes :**

- (i) The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (2019: 34.944%) payable by corporate entities in India on taxable profits under the Indian tax law.
- (ii) Income tax in relation to earlier years includes tax credit of Rs 2,258.00 lakhs (Previous year Rs. 2,476.00 lakhs) which is related to finalization and determination of deduction/allowance claimed for earlier years under Chapter-VIA of the Income-tax Act, 1961, for generation of power from captive power plants which is based on finalization of transfer pricing study /tax audit reports of the earlier years.
- (iii) SRF Limited had Rs. 18,631.72 lakhs of carried forward long term capital losses as per Income Tax Act, 1961, available for set off, on which no deferred tax asset was recognized till previous year. Pursuant to recognition of long term capital gain, a tax credit of Rs. 4,340.45 lakhs has been recognised during the current year in respect of such losses in accordance with Ind AS 12 - "Income Taxes".

**39. INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Arising on income and expense recognised in other comprehensive income</b>		
Net (gain)/ loss on designated portion of hedging instruments in cash flow hedges	5,758.32	(1,904.57)
Remeasurement of defined benefit obligation	544.10	48.46
	<b>6,302.42</b>	<b>(1,856.11)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will be reclassified to profit or loss	5,758.32	(1,904.57)
Items that will not be reclassified to profit or loss	544.10	48.46
	<b>6,302.42</b>	<b>(1,856.11)</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**40. EARNINGS PER SHARE (EPS)**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Profit attributable to equity holders of the group used in calculating basic earning per share and diluted earning per share		
- From continuing operations	91,338.70	59,658.38
- From discontinued operations	10,319.23	5,004.53
- From continuing and discontinued operations	101,657.93	64,662.91
Weighted average number of equity shares of the group used in calculating basic earning per share and diluted earning per share (nos.)	6,452,615	6,452,615
Basic and diluted earnings per share (Rs.)		
- From continuing operations	738.14	487.03
- From discontinued operations	83.60	40.54
- From continuing and discontinued operations	821.74	527.58

**41. EARNINGS PER SHARE (EPS)**

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>a. Claims against the group not acknowledged as debts :</b>			
Goods and Services tax, excise duty, custom duty and service tax *	2,132.56	2,138.62	2,294.26
Sales tax and entry tax **	1,907.53	4,694.11	6,319.14
Income Tax****	1,147.30	955.07	913.81
Stamp Duty*****	-	2,882.00	2,881.00
Others***	1,185.24	94.43	94.43
* Amount deposited against contingent liability Rs. 271.96 lakhs (2019: Rs. 616.87 lakhs, 2018: Rs. 748.54 lakhs)			
** Amount deposited against contingent liability Rs. 462.45 lakhs (2019 : Rs. 256.99 lakhs, 2018: Rs. 2,176.17 lakhs)			
*** Amount deposited against contingent liability Rs. 49.20 lakhs (2019 : Rs. 8.00 lakhs, 2018 : Rs. 8.08 lakhs)			
**** Amount deposited against contingent liability Rs. 672.80 lakhs (2019: Rs. 713.66 lakhs, 2018 Rs.606.57)			
***** In the matter of a demand for Stamp duty related to SRF Ltd "TyreCORD Division" at Malanpur, Gwalior, Madhya Pradesh, the Division Bench of the Hon'ble High Court of Madhya Pradesh decided in favour of Revenue department during the year. The Company's petition in the Supreme Court was dismissed. The Company has paid the entire duty demand of Rs.2,882.00 lakhs (including penalty of Rs. 509.10 lakhs) during the current year.			
** Includes demand by Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. (MPPKVV Ltd) of Rs. 1,006.48 lakhs received during the current year which is disputed by SRF Ltd .			
<b>b</b> SRF Ltd has been served with show cause notices regarding certain transactions as to why additional customs / excise duty / service tax amounting to Rs. 2,560.56 lakhs (2019: Rs. 2,009.68 lakhs, 2018: Rs. 2,351.38 lakhs) should not be levied. SRF Ltd has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.			
During the current year the SRF Ltd has received a draft assessment order for assessment year 2016-17 in which adjustments amounting to Rs. 36,737.25 lakhs have been proposed on account of transfer pricing adjustments etc. which are pending before Dispute Resolution Panel. Based on the transfer pricing study, facts of the case and applicable case laws, the company is of the view that the proposed adjustments will not sustain.			

## Notes to consolidated financial statement for the year ended March 31, 2020

- c In February 2019, the Honorable Supreme Court of India in its judgement opined on the applicability of allowances that should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively and therefore has applied the judgement on a prospective basis.
- d The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the group or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made.

## 42. CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36,294.77	62,648.56	14,081.65
(ii) The group has other commitments, for purchases / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The group does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses which have not been provided for.			
(iii) The group has recognized grant in respect of duty paid on procurement of capital goods under post EPCG scheme of Central Government which allows refund of such duty in the form of freely transferable duty credit scrips upon meeting of requisite export obligation. The group has met the its export obligations against this grant in the current year. Export obligation as on March 31, 2019 was Rs. 2,517.78 lakhs (2018 : Rs.14,568.12 lakhs)			

## 43. RELATED PARTY TRANSACTIONS

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

Persons having significant control / influence over the entity	Key Management Personnel
Arun Bharat Ram	Vinayak Chatterjee *
Ashish Bharat Ram	Tejpreet S Chopra
Kartik Bharat Ram	Lakshman Lakshminarayan
ABR Family Trust	Vellayan Subbiah
	Pramod Bhasin **
<b>Post employment benefit plans trust</b>	Meenakshi Gopinath
SRF Limited Officers Provident Fund Trust	Pramod Gopaldas Gujarathi
SRF Employees Gratuity Trust	Bharti Gupta Ramola ***
SRF Officers Gratuity Trust	Yash Gupta****
	Puneet Yadu Dalmia****
<b>Relatives of KMP #</b>	Amitav Virmani
Sushil Ramola***	Ira Gupta
Shanthi Narayan	Jagdeep Rikhy
Murugappan Vellayan Subbiah	Dhirendra Datta
Nirmala Kothari ****	Rajat Lakhnpal (Whole Time Director, Chief Financial Officer & Company Secretary)*
	Narender Kumar Gupta (Whole Time Director of SRF Transnational Holdings Ltd)
	Ekta Maheswari (Whole Time Director, CFO & Company Secretary)****

**Enterprises over which KMP have significant influence #**

SRF Foundation  
 SRF Welfare Trust  
 Karmav Real Estate Holdings LLP  
 Karm Farms LLP  
 Srishti Westend Greens Farms LLP  
 Statkraft BLP Solar Solutions Private Limited@

\* upto March 31, 2019

\*\* upto February 4, 2019

\*\*\* from February 4, 2019

\*\*\*\* from April 1, 2019

# Only with whom the Company had transactions during the year

@ Up to April 16, 2018

**43.2 Transactions with related parties**

Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Sale of goods to</b>		
Enterprises over which KMP have significant influence	25.00	-
	<b>25.00</b>	<b>-</b>
<b>Rent paid</b>		
Persons having significant control / influence over the entity	29.20	28.80
Enterprises over which KMP have significant influence	27.32	156.34
	<b>56.52</b>	<b>185.14</b>
<b>Rent received</b>		
Enterprises over which KMP have significant influence	8.56	-
	<b>8.56</b>	<b>-</b>
<b>Interest paid</b>		
Enterprises over which KMP have significant influence	-	4.12
	<b>-</b>	<b>4.12</b>
<b>Workshop &amp; Training Expenses</b>		
Enterprises over which KMP have significant influence	0.22	1.55
	<b>0.22</b>	<b>1.55</b>
<b>Loan received</b>		
Enterprises over which KMP have significant influence	-	335.00
	<b>-</b>	<b>335.00</b>
<b>AMC Fees received</b>		
Enterprises over which KMP have significant influence	38.06	37.94
	<b>38.06</b>	<b>37.94</b>

Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Donations to</b>		
Enterprises over which KMP have significant influence	1,214.60	1,050.50
	<b>1,214.60</b>	<b>1,050.50</b>
<b>Loan/Deposit received back from</b>		
Enterprises over which KMP have significant influence	4.51	455.00
	<b>4.51</b>	<b>455.00</b>
<b>Security Deposit received</b>		
Enterprises over which KMP have significant influence	4.67	-
	<b>4.67</b>	<b>-</b>
<b>Contribution to post employment benefit plans</b>		
Post employment benefit plans trust	2,431.38	2,120.42
	<b>2,431.38</b>	<b>2,120.42</b>
<b>Equity dividend paid</b>		
Persons having significant control / influence over the entity	1,636.51	833.12
Relatives of KMP	4.28	2.02
	<b>1,640.79</b>	<b>835.14</b>

#### 43.3 Outstanding Balances

Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>Commission payable</b>			
Key management personnel	1,022.00	700.00	585.00
	<b>1,022.00</b>	<b>700.00</b>	<b>585.00</b>
<b>Sitting fee payable</b>			
Persons having significant control / influence over the entity	0.23	-	-
	0.23	-	-
<b>Payable</b>			
Post employment benefit plans trust	1,436.58	930.22	783.00
	<b>1,436.58</b>	<b>930.22</b>	<b>783.00</b>
<b>Security deposits outstanding</b>			
Persons having significant control / influence over the entity	13.20	13.20	13.20
Enterprises over which KMP have significant influence	18.33	18.17	138.17
	<b>31.53</b>	<b>31.37</b>	<b>151.37</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**43.3 Compensation to KMP/Individuals having significant influence**

Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Short-term benefits	2,236.35	1,756.27
Post-employment benefits	175.16	135.98
Other long-term benefits	127.97	33.00
	<b>2,539.48</b>	<b>1,925.25</b>

**44. FIRST TIME ADOPTION OF IND AS**

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2018 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain mandatory exceptions and certain optional exemptions availed by the Company. Applicable mandatory exceptions and optional exemptions are as under:

1. The estimates as at April 01, 2017 and March 31, 2018 are consistent with those made for the same dates in accordance with Indian GAAP (After adjustments to reflect any differences in accounting policies)
2. Subsidiary Company (SRF Limited) has adopted IND AS in earlier years, the Group has availed exemption provided under para D17 of IND AS 101 and measured the assets and liabilities (including Right to Use and lease liability) of SRF Limited (alongwith its subsidiaries) at the same carrying amounts as in the financial statements of SRF Limited (alongwith its subsidiaries), after adjusting for consolidation adjustments.
3. The Group has elected to continue with the carrying value of all of its Property, Plant & Equipment and investment property recognised as on April 01, 2018 measured as per previous GAAP and use that carrying value as deemed cost as on transition date.

**Reconciliation of total equity**

(i) Equity Reconciliation	Note	As At March 31, 2019 Rs./lakhs	As At April 01, 2018 Rs./lakhs
Equity under Previous GAAP		417,099.48	358,607.11
Classification of preference share as financial liability	1	(1,291.94)	(1,291.94)
Recognition of finance expenses on preference share	2	(103.36)	(103.36)
Impact of measuring investments at Fair value	3	2,928.43	2,581.40
Finance Instrument measured amortised cost	4	28.35	-
Amortisation of lease hold land	5	(939.00)	(839.00)
Impact due to fair valuation of Property, Plant & Equipment	6	15,781.62	13,532.53
Impact of deferred govt. grant	7	(735.00)	(735.00)
Classification of deferred govt. grant to other liability	7	(1,644.70)	(1,985.62)
Impact of discounting of deferred payment liability		32.03	96.01
Other adjustments		(151.91)	(37.71)
Tax adjustments	8	3,120.86	4,127.62
		<b>434,124.86</b>	<b>373,952.04</b>

**Explanation for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS**

1. Under IGAAP, Non-Cumulative Redeemable Preference Shares have been disclosed as Share capital while the same has been classified as subordinated liability under IND AS.



**Notes to consolidated financial statement for the year ended March 31, 2020**

2. Under IGAAP, dividend to Preference Shares were recognised as distribution to equity in the year of declaration, however the same has been recognised as finance expenses under IND AS on the basis of effective interest rate method
3. Under IGAAP Investment were recognised at lower of cost or net realisable value, however the same has been recognised at fair value under IND AS.
4. Under IGAAP, Investment in tax free bond and debentures were recognised at cost , however the same has been recognised at amortized cost under IND-AS.
5. Under IGAAP Leasehold Land was considered as part of Property Plant and Equipment and treated as perpetual lease. Under IND-AS the same has been classified as operating lease and premium paid is being amortized over the lease period.
6. The subsidiary company (which has adopted IND-AS earlier) had elected to recognise its Property Plant and Equipment on fair value on its transition date and use that as its deemed cost.
7. Under previous GAAP, certain asset related grant were shown as a reduction from the related assets. Ind AS requires an asset related grant to be presented in the balance sheet by setting up the grant as deferred income. Since the subsidiary Company (adopting IND AS in earlier years) has opted for fair valuation of Property, plant and equipment, the corresponding impact was taken in retained earnings at the transition date. Subsequently the income in relation to such grant is recognized in statement of profit and loss.
8. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**Reconciliation of total comprehensive income for the year ended March 31, 2019**

	Note	Year Ended March 31, 2019
<b>Profit as per Previous GAAP</b>		64,220.21
Finance Expenses recorded on preference shares	1	(103.36)
Depreciation on fair valuation of property, plant and equipment	2	1,341.31
Impact of measuring investment at fair value through profit and loss	3	305.25
Impact of measuring investment at fair value through OCI	3	21.20
Unwinding of deferred payment liability	4	(64.28)
Amortisation of leasehold land	5	(122.03)
Other Adjustments		57.39
Tax adjustments	6	(992.78)
<b>Profit or loss under Ind AS</b>		<b>64,662.91</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss	7	(83.97)
Items that will be reclassified to profit or loss	8 & 9	658.28
<b>Total other comprehensive income</b>		<b>574.31</b>
<b>Total comprehensive income under Ind As</b>		<b>65,237.22</b>

## Notes to consolidated financial statement for the year ended March 31, 2020

### Explanation for reconciliation of Statement of Profit & Loss as previously reported under IGAAP to Ind AS

1. Under IGAAP, dividend to Preference Shares were recognised as distribution to equity in the year of declaration, however the same has been recognised as finance expenses under IND AS on the basis of effective interest rate method.
2. One of the subsidiary, i.e. SRF Limited as adopted IND AS earlier years and has elected to recognise its property, plant and equipment (PPE) on fair value as on transition date and use that as its deemed cost as of its transition date. However under IGAAP, the same was recognised on cost. Spares, other than insurance spares were classified as inventory under IGAAP, however under Ind-AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. This has also resulted into increase in depreciation.
3. Under IGAAP Investment were recognised at lower of cost or realisable value, however the same has been recognised at fair value under IND AS.
4. Under previous GAAP, deferred payment consideration payable in relation to a business combination was recorded at the contractual value. Under Ind AS such consideration is required to be measured at fair value. Difference between carrying amount of liability and fair value at the transition date is recorded in retained earnings. Increase in interest cost was charged in the statement of profit and loss.
5. Under IGAAP Leasehold Land was considered as part of Property Plant and Equipment and treated as perpetual lease. Under IND-AS the same has been classified as operating lease and premium paid is being amortized over the lease period.
6. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.
7. Under previous GAAP in respect of defined benefit plan, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses forming part of re-measurement of the net defined benefit liability / asset is recognized in other comprehensive income.
8. Under Ind AS, effective portion of fair value gains and losses of hedging instruments designated in a cash flow hedge relationship is recognized in other comprehensive income and taken to FVTOCI reserve in equity, whereas under previous GAAP there was no such concept of other comprehensive income and all such gains and losses were directly recognized in cash flow hedge reserves in other equity. Consequently, the tax effect of the same has also been recognized in other comprehensive income under FVTOCI reserve.
9. Under Indian GAAP, the group recognized translation differences on foreign operations in a separate component of equity directly. Under Ind AS, Cumulative translation differences for all foreign operations is recognized in other comprehensive income and taken to foreign currency translation reserve in equity.

Notes to consolidated financial statement for the year ended March 31, 2020  
**45. EFFECT OF IND AS ADOPTION ON THE BALANCE SHEET**

Particulars	Note	Reconciliation of Equity at				Reconciliation of Equity at			
		March 31, 2019		April 01, 2018		Previous GAAP		Ind AS	
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS	Ind AS
<b>ASSETS</b>									
<b>I Financial Assets</b>									
i Cash and cash equivalents		19,219.85	(0.63)	19,219.22	9,006.26	-	9,006.26		9,006.26
ii Bank Balance other than (a) above		981.39	-	981.39	993.15	(0.21)	992.94		992.94
iii Derivative financial instruments		3,427.72	-	3,427.72	1,303.16	-	1,303.16		1,303.16
iv Receivables									
(I) Trade Receivables		103,135.59	18.64	103,154.23	68,141.68	-	68,141.68		68,141.68
v Loans		2,412.98	-	2,412.98	1,825.91	-	1,825.91		1,825.91
vi Investments	1	21,357.16	2,925.62	24,282.78	21,943.73	2,562.98	24,506.71		24,506.71
vii Other Financial assets		20,072.24	-	20,072.24	16,499.58	-	16,499.58		16,499.58
		<b>170,606.93</b>	<b>2,943.64</b>	<b>173,550.56</b>	<b>119,713.47</b>	<b>2,562.77</b>	<b>122,276.24</b>		<b>122,276.24</b>
<b>II Non-Financial Assets</b>									
i Inventories		122,534.51	(0.20)	122,534.31	95,855.41	0.29	95,855.70		95,855.70
ii Current tax assets (Net)		1,971.01	-	1,971.01	2,254.34	-	2,254.34		2,254.34
iii Deferred tax Assets (Net)		312.54	(183.92)	128.62	93.25	18.71	111.96		111.96
iv Investment Property		3,146.97	-	3,146.97	3,207.35	-	3,207.35		3,207.35
v Property, Plant and Equipment		551,349.38	(851.83)	550,497.55	499,370.52	1,939.86	501,310.38		501,310.38
vi Right to use		-	152.86	152.86	58,038.80	154.61	154.61		154.61
vii Capital work-in-progress		76,361.87	1,307.29	77,669.16	58,038.80	(0.21)	58,038.59		58,038.59
viii Goodwill		-	407.81	407.81	-	407.81	407.81		407.81
ix Other Intangible assets		11,014.79	0.03	11,014.82	11,440.05	(33.03)	11,407.02		11,407.02
x Other non-financial assets		91,082.63	(19,465.80)	71,616.83	76,575.23	(15,011.68)	61,563.55		61,563.55
<b>TOTAL ASSETS</b>		<b>857,773.70</b>	<b>(18,633.77)</b>	<b>839,139.93</b>	<b>746,834.95</b>	<b>(12,523.64)</b>	<b>734,311.31</b>		<b>734,311.31</b>
		<b>1,028,380.63</b>	<b>(15,690.13)</b>	<b>1,012,690.49</b>	<b>866,548.42</b>	<b>(9,960.87)</b>	<b>856,587.55</b>		<b>856,587.55</b>

Particulars	Note	Reconciliation of Equity at March 31, 2019		Reconciliation of Equity at April 01, 2018		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>IV</b>						
i	Derivative financial instruments	425.78	-	425.78	36.18	36.18
ii	Trade Payables					
	(i) total outstanding dues of micro enterprises and small enterprises	1,824.21	-	1,824.21	1,935.03	1,935.03
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	136,417.65	0.07	136,417.72	102,489.17	102,489.18
iii	Debt Securities	30,000.00	(5.00)	29,995.00	30,000.00	29,975.00
iv	Borrowings (Other than Debt Securities)	344,424.37	(823.87)	343,600.50	285,405.47	284,418.20
v	Subordinated Liabilities	-	1,395.30	1,395.30	-	1,395.30
vi	Other financial liabilities	16,197.29	(89.74)	16,107.55	14,331.89	14,252.37
		<b>529,289.30</b>	<b>476.76</b>	<b>529,766.06</b>	<b>434,197.74</b>	<b>434,501.26</b>
<b>V</b>						
i	<b>Non Financial Liabilities</b>					
	Current tax liabilities (Net)	1,036.69	-	1,036.69	1,557.29	1,557.29
ii	Provisions	4,449.98	52.31	4,502.29	3,755.24	3,870.24
iii	Deferred tax liabilities (Net)	69,087.37	(34,889.17)	34,198.20	56,855.22	29,288.75
iv	Other non-financial liabilities	7,417.81	1,644.59	9,062.40	11,575.82	13,417.97
		<b>81,991.85</b>	<b>(33,192.27)</b>	<b>48,799.58</b>	<b>73,743.57</b>	<b>48,134.25</b>
<b>VI</b>						
i	<b>EQUITY</b>					
	Equity Share Capital	1,937.20	(1,291.95)	645.26	1,937.20	645.26
ii	Other Equity	226,423.12	9,994.46	236,417.58	194,284.80	203,391.02
		<b>228,360.32</b>	<b>8,702.51</b>	<b>237,062.84</b>	<b>196,222.00</b>	<b>204,036.28</b>
<b>VII</b>						
	<b>Non Controlling Interest</b>	188,739.16	8,322.86	197,062.02	162,385.11	169,915.76
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,028,380.63</b>	<b>(15,690.13)</b>	<b>1,012,690.49</b>	<b>866,548.42</b>	<b>856,587.55</b>

## Notes to consolidated financial statement for the year ended March 31, 2020

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

- 1 Under IGAAP Investment were carried at lower of cost and net realizable value, however the same has been recognised at fair value under IND AS.
- 2 Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences.
- 3 "Under IGAAP, Leasehold land was considered as part of Property, Plant and Equipment treated as perpetual lease, as per IND-AS 17 leasehold land has been classified as operating lease and premium paid on such leasehold land in recognised as prepaid expenses.
- 4 One of the subsidiary, i.e. SRF Limited as adopted IND AS earlier years and has elected to recognise its property, plant and equipment (PPE) on fair value as on transition date and use that as its deemed cost as of its transition date. However under IGAAP, the same was recognised on cost. Spares, other than insurance spares were classified as inventory under IGAAP, however under Ind-AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment.
- 5 Under IGAAP exchange difference on loan taken on or after 01.04.2016 have been capitalize however, the same exchange difference has been recognised as cash flow reserve hedge in accordance with IND-AS 109.
- 6 Under IGAAP, goodwill on consolidation is adjusted against capital reserve, while the same has been shown separately under IND AS .
- 7 Under IGAAP, MAT Credit has been classified under loan and advances, while the same has been classified as deferred tax assets under IND AS
- 8 Under previous GAAP, transaction costs incurred in connection with borrowings are amortized over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognized in profit or loss over the tenure of the borrowings as part of interest expense using effective interest rate method. Further, as per previous GAAP such unamortised amount was disclosed as prepaid asset which as per Ind AS now are netted off with related borrowings.
- 9 Under previous GAAP, deferred payment consideration payable in relation to a business combination was recorded at the contractual value. Under Ind AS such consideration is required to be measured at fair value. Difference between carrying amount of liability and fair value at the transition date is recorded in retained earnings. Increase in interest cost was charged in the statement of profit and loss.
- 10 Under IGAAP, Non-Cumulative Redeemable Preference Shares have been disclosed as Share capital while the same has been classified as subordinated liability under IND AS.
- 11 Under previous GAAP, certain asset related grant were shown as a reduction from the related assets. Ind AS requires an asset related grant to be presented in the balance sheet by setting up the grant as deferred income.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**46. EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(Amounts in Lakhs)

Particulars	Note	IGAAP	Effect of Transition to Ind AS	Ind AS
Interest Income	1	600.87	262.51	863.38
Dividend Income		69.06	-	69.06
Rental Income		21.56	-	21.56
Net gain on fair value changes	2	930.72	186.58	1,117.30
Sale of products (including Excise Duty)	3 & 4	755,600.45	(60,611.33)	694,989.12
Sale of services		3,266.77	-	3,266.77
Export and other incentives	4	11,319.41	(81.62)	11,237.79
Others	4, 5 & 6	4,067.44	(334.74)	3,732.70
<b>Total Revenue from operations</b>		<b>775,876.28</b>	<b>(60,578.60)</b>	<b>715,297.68</b>
Other Income	4	2,860.58	(1,356.64)	1,503.94
<b>Total Income</b>		<b>778,736.86</b>	<b>(61,935.24)</b>	<b>716,801.62</b>
<b>Expenses</b>				
Finance Costs	4	20,134.64	(148.22)	19,986.42
Cost of materials consumed	4	438,213.51	(38,952.57)	399,260.94
Purchases of Stock-in-trade		4,854.90	-	4,854.90
Changes in inventories of finished goods, work-in-progress and stock in trade	4	(7,104.68)	(298.63)	(7,403.31)
Employee benefits expense	4 & 9	54,002.55	(5,665.39)	48,337.17
Depreciation and amortisation	4 & 7	38,329.01	(2,268.25)	36,060.77
Other expenses	4	148,064.67	(10,192.09)	137,872.58
<b>Total Expenses</b>		<b>696,494.60</b>	<b>(57,525.15)</b>	<b>638,969.45</b>
<b>Profit/(Loss) before Tax</b>		<b>82,242.26</b>	<b>(4,410.09)</b>	<b>77,832.17</b>
<b>Tax expense</b>				
Current Tax	4	12,271.87	2,402.96	14,674.83
Deferred Tax	4 & 8	5,750.19	(2,251.25)	3,498.94
<b>Total Tax expense</b>		<b>18,022.06</b>	<b>151.72</b>	<b>18,173.77</b>
<b>Profit / (loss) for the period from continuing operations (VII-VIII)</b>		<b>64,220.20</b>	<b>(4,561.81)</b>	<b>59,658.40</b>
<b>Profit/(loss) from discontinued operations #</b>	4	-	5,845.61	5,845.61
<b>Tax Expense of discontinued operations</b>	4	-	841.08	841.08
<b>Profit/(loss) from discontinued operations (After tax) (X-XI)</b>		-	<b>5,004.53</b>	<b>5,004.53</b>
<b>Profit/(loss) for the period (IX+XII)</b>		<b>64,220.20</b>	<b>442.73</b>	<b>64,662.93</b>

Particulars	Note	IGAAP	Effect of Transition to Ind AS	Ind AS
Other Comprehensive Income				
<b>(A) (i) Items that will not be reclassified to profit or loss</b>				
Gain / (loss) of defined benefit obligation	9		(153.30)	(153.30)
Change in fair value of financial assets measured at FVTOCI	2		20.87	20.87
(ii) Income tax relating to items that will not be reclassified to profit or loss			48.46	48.46
<b>Subtotal (A)</b>		-		<b>(83.97)</b>
<b>(B) (i) Items that will be reclassified to profit or loss</b>				
(a) Effective portion of gain / (loss) on hedging instruments in a cash flow hedge	10		5,024.58	5,024.58
(b) Exchange differences on translation of foreign operations	11		(2,461.73)	(2,461.73)
(ii) Income tax relating to items that will be reclassified to profit or loss			(1,904.57)	(1,904.57)
<b>Subtotal (B)</b>		-	<b>658.28</b>	<b>658.28</b>
<b>Other Comprehensive Income (A + B)</b>		-	<b>658.28</b>	<b>574.31</b>
<b>Total Comprehensive Income for the period (XIII+XIV)</b>		<b>64,220.20</b>	<b>1,101.01</b>	<b>65,237.24</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

- Under IGAAP, Interest income on Investment in bond and debentures were recognised at the rate specified in investment securities, however the same has been recognised on the basis of effective interest rate method under IND-AS.
- Under IGAAP Investment were recognised at lower of cost or realisable value, however the same has been recognised at fair value under IND AS.
- Under previous GAAP, cash discount was shown under other expenses. However, under Ind AS, sale of goods is presented net of cash discount.
- SRF's Engineering Plastics Business has been divested with effect from August 1, 2019 and SRF Industries (Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. Under IND AS, the financial information of the said business has been classified as Discontinued Operations as per the requirements of Ind AS 105 - "Non-current assets held for sale and discontinued operations.
- Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Difference between the fair value and transaction value of the security deposits has been recognized as prepaid rent is amortized over the lease period on straight line basis. Notional interest income on such deposits is recognized over the lease period using effective interest method.
- Under the previous GAAP, the loan given by the group to its employees were carried at book value. However, under Ind AS, these loans are required to be measured initially at fair value on the date of transition and subsequently at amortized cost. Difference between the fair value and transaction value of such loan to employees has been recognized as prepaid employee benefit expense is amortized over the loan period on straight line basis. Notional interest income on such loans is recognized over the loan period using effective interest method.

## Notes to consolidated financial statement for the year ended March 31, 2020

7. One of the subsidiary, i.e. SRF Limited as adopted IND AS earlier years and has elected to recognise its property, plant and equipment (PPE) on fair value as on transition date and use that as its deemed cost as of its transition date. However under IGAAP, the same was recognised on cost. Spares, other than insurance spares were classified as inventory under IGAAP, however under Ind-AS, spare parts are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment.
8. Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.
9. Under previous GAAP in respect of defined benefit plan, actuarial gains and losses were recognized in profit or loss. Under Ind AS, the actuarial gains and losses forming part of re-measurement of the net defined benefit liability / asset is recognized in other comprehensive income.
10. Under Ind AS, effective portion of fair value gains and losses of hedging instruments designated in a cash flow hedge relationship is recognized in other comprehensive income and taken to FVTOCI reserve in equity, whereas under previous GAAP there was no such concept of other comprehensive income and all such gains and losses were directly recognized in cash flow hedge reserves in other equity. Consequently, the tax effect of the same has also been recognized in other comprehensive income under FVTOCI reserve.
11. Under Indian GAAP, the group recognized translation differences on foreign operations in a separate component of equity directly. Under Ind AS, Cumulative translation differences for all foreign operations is recognized in other comprehensive income and taken to foreign currency translation reserve in equity.

## 47. EMPLOYEE BENEFITS

### 47.1 Defined contribution plans:

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

(Amount in lakhs)

Indian entities	Year ended March 31, 2020	Year ended March 31, 2019
Superannuation fund (Refer to note (i) below)	65.00	57.51
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (ii) below)	1,270.88	980.42
Employees' State Insurance Corporation	58.75	114.28
National Pension Scheme	199.48	178.39
	<b>1,594.11</b>	<b>1,330.60</b>
Foreign subsidiaries	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to provident fund	124.19	200.58
Skill, development and Social Security Fund	78.15	143.15
Pension fund	105.10	103.36
	<b>307.44</b>	<b>447.09</b>

The expenses incurred on account of the above defined contribution plans have been included in Note 35 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"



## Notes to consolidated financial statement for the year ended March 31, 2020

### (i) Superannuation fund

The group makes contributions to a Trust which in turn contributes to ICICI Prudential Life Insurance Company Limited. Apart from being covered under the Gratuity Plan described below, the employees of the group also participate in a defined contribution superannuation plan maintained by the group. The group has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From November 1, 2006, the group provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

### (ii) Provident fund administered through Regional Provident Fund Commissioner

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

## 47.2 Defined benefit plans

The group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by separate funds which are legally separate from the group. These plans are:

- (a) Gratuity
  - (b) Provident fund for certain category of employees administered through a recognized provident fund trust.
  - (c) Legal Severance pay & Health care (Unfunded) as applicable with respect to foreign entities
- (i) **These plans typically expose the group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.**

#### **Investment Risk**

The probability or likelihood of 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 group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of the providing the above benefits and will thus result an increase in value of the liability.

#### **Longevity Risk**

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

**Notes to consolidated financial statement for the year ended March 31, 2020**

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

Indian entities	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund	Gratuity	Provident Fund
Discount Rate	6.77%	6.77%	7.66%	7.66%	7.74%	7.74%
Expected statutory interest rate	-	8.50%	-	8.65%	-	8.55%
Salary increase	7.00%	-	7.00%	-	7.50%	-
Retirement Age(years)	58.00	58.00	58	58	58	58
Mortality Rates	IALM (2012-14)	IALM (2012-14)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
<b>Withdrawal Rate</b>						
Upto 30 years	20.00%	20.00%	20.00%	20.00%	10.00%	10.00%
31 to 44 years	7.00%	7.00%	7.00%	7.00%	5.00%	5.00%
Above 44 years	8.00%	8.00%	8.00%	8.00%	2.00%	2.00%

Foreign subsidiaries	Legal Severance Pay (unfunded)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Discount Rate	1.74%	2.97%/3.05%	2.88%/3.07%
Salary increase	6.00%	6.5%/5.00%	5.00%/5.00%
In service mortality	TMO 2017	TMO 2017	TMO 2017
Retirement Age	55	60 / 55	60 / 55
Withdrawal Rate			
- up to 20 years	20	55/25	55/20
- 21-30	16	30/15	45/17
- 31-40	10	11/12	17/12
- 41-50	3	3.5/3	7/3
- 51 onwards	2	2.5/2	3/2

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

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

(iii) Amounts recognized in statement of profit an loss in respect of these benefit plans are as follows:

Indian entities	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Current Service cost	730.67	626.34	608.98	645.32
Interest expenses (net of expected return on plan assets)	67.41	29.54	55.01	13.83
	<b>798.08</b>	<b>655.88</b>	<b>663.99</b>	<b>659.15</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019
	Rs./lakhs	Rs./lakhs
Current/past Service cost *	1,526.94	159.73
Net interest expenses	40.28	26.14
	<b><u>1,567.22</u></b>	<b><u>185.87</u></b>

\* The above includes impact of discontinued operations.

The current service cost and the net interest expenses for the year are included in Note 31 "Employee Benefits Expenses" under the head Contribution to provident and other funds

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

	Year ended March 31, 2020	Year ended March 31, 2019
	Rs./lakhs	Rs./lakhs
<b>Indian entities</b>	<b>Gratuity</b>	<b>Gratuity</b>
Actuarial (gain)/losses on plan assets	(41.10)	(570.77)
Actuarial (gain)/losses arising from changes in financial assumptions	474.23	(235.39)
Actuarial (gain)/losses arising from changes in experience adjustments	406.23	991.96
	<b><u>839.36</u></b>	<b><u>185.80</u></b>

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019
	Rs./lakhs	Rs./lakhs
Actuarial (gain)/losses arising from changes in financial assumptions	71.37	16.25
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	(64.75)	(44.56)
	<b><u>6.62</u></b>	<b><u>(28.31)</u></b>

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

Indian entities	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Gratuity	Provident Fund	Gratuity	Provident Fund	Gratuity	Provident Fund
Present value of funded defined benefit obligation	8,654.82	14,084.01	7,117.60	12,323.87	6,260.02	10,525.00
Fair value of plan assets	6,996.00	13,655.00	6,236.24	12,307.00	5,547.24	10,683.00
<b>Surplus / (deficit)</b>	<b><u>(1,658.82)</u></b>	<b><u>(429.01)</u></b>	<b><u>(881.36)</u></b>	<b><u>(16.87)</u></b>	<b><u>(712.78)</u></b>	<b><u>158.00</u></b>
Effect of asset ceiling (if any)	-	-	-	16.87	-	(158.00)
<b>Net asset / (liability)</b>	<b><u>(1,658.82)</u></b>	<b><u>(429.01)</u></b>	<b><u>(881.36)</u></b>	<b><u>-</u></b>	<b><u>(712.78)</u></b>	<b><u>-</u></b>

**Notes to consolidated financial statement for the year ended March 31, 2020**

Foreign subsidiaries	Legal Severance Pay (unfunded)		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Rs./lakhs	Rs./lakhs	Rs./lakhs
Present value of funded defined benefit obligation	399.13	972.49	809.40
Fair value of plan assets	-	-	-
<b>Net asset / (liability)</b>	<b><u>(399.13)</u></b>	<b><u>(972.49)</u></b>	<b><u>(809.40)</u></b>

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

Indian entities	As as March 31, 2020		As as March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening defined benefit obligation	7,117.60	12,323.87	6,260.02	10,525.00
Current Service Cost	730.67	626.34	608.98	645.32
Interest Cost	544.41	1,060.82	484.01	814.83
Actuarial (gain)/losses arising from changes in financial assumptions	474.37	3.49	(239.15)	(10.06)
Actuarial (gain)/losses arising from changes in experience adjustments	406.00	-	992.00	-
Acquisition cost	-	-	-	178.63
Past service cost including curtailment Gains/Loss	-	24.44	-	12.70
Benefits paid	(514.23)	(1,448.00)	(988.26)	(787.00)
Contribution by plan participants / employees	-	1,001.89	-	880.45
Settlement / transfer in	<u>(104.00)</u>	<u>491.16</u>	<u>-</u>	<u>64.00</u>
<b>Closing defined benefit obligation</b>	<b><u>8,654.82</u></b>	<b><u>14,084.01</u></b>	<b><u>7,117.60</u></b>	<b><u>12,323.87</u></b>

Foreign subsidiaries	Legal Severance Pay (unfunded)	
	As at March 31, 2020	As at March 31, 2019
	Rs./lakhs	Rs./lakhs
Opening defined benefit obligation	972.49	809.40
Current Service Cost	1,526.94	159.73
Interest Cost	40.28	26.14
Actuarial (gain)/losses arising from changes in financial assumptions	71.07	16.25
Actuarial (gain)/losses arising from changes in experience adjustments and demographic assumption	(64.95)	(44.56)
Exchange difference on foreign plans	36.74	37.51
Benefits paid/Settled*	(2,183.43)	(31.99)
<b>Closing defined benefit obligation</b>	<b><u>399.13</u></b>	<b><u>972.49</u></b>

\* Benefits paid to employees due to discontinuation of business

**Notes to consolidated financial statement for the year ended March 31, 2020**
**(vii) Movements in the fair value of plan assets are as follows:**

Indian entities	As at March 31, 2020		As at March 31, 2019	
	Gratuity	Provident Fund	Gratuity	Provident Fund
Opening fair value of plan assets	6,236.24	12,307.00	5,547.24	10,683.00
Return on plan assets (excluding amounts included in net interest expenses)	528.00	1,014.00	1,000.00	833.00
Contributions from employer	830.00	607.00	675.00	636.00
Contributions from plan participants	-	1,000.00	-	878.00
Benefits paid	(504.00)	(1,388.00)	(986.00)	(787.00)
Settlement / Transfer in	(94.24)	115.00	-	64.00
<b>Closing fair value of plan assets</b>	<b><u>6,996.00</u></b>	<b><u>13,655.00</u></b>	<b><u>6,236.24</u></b>	<b><u>12,307.00</u></b>

**Gratuity**

Plan assets comprises primarily of investment in HDFC Group Unit Linked Plan fund. The weighted average duration of the defined benefit obligation is 9.08 years ( 2019 : 8.99 years, 2018 : 12.98 years). The group expects to make a contribution of Rs. 868.08 lakhs ( 2019 : Rs. 701.23 lakhs, 2018 : Rs. 653.70 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.

Indian entities	Year ended March 31, 2020		Year ended March 31, 2019	
	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease

**Sensitivity analysis of gratuity**

Discount rate	(265.52)	283.21	(207.80)	221.18
Expected salary growth	276.19	(266.89)	221.32	(210.01)
<b>Sensitivity analysis of provident fund</b>	<b>(1.11)</b>	<b>1.13</b>	<b>(1.51)</b>	<b>1.58</b>

Foreign subsidiaries	Year ended March 31, 2020		Year ended March 31, 2019	
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<b>Sensitivity analysis of defined benefit obligation</b>	1.00% increase	1.00% decrease	1.00% increase	1.00% decrease
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**Sensitivity analysis of legal severance pay (unfunded)**

Discount rate	(34.36)	40.40	(86.74)	99.93
Expected salary growth	37.11	(32.46)	100.77	(89.25)

Sensitivity due to mortality and withdrawals are insignificant and hence ignored

## Notes to consolidated financial statement for the year ended March 31, 2020

### 47.3 Other long-term employee benefit

Amounts recognised in the statement of profit and loss in note 35 “Employee benefits expenses” under the head “Salaries and wages, including bonus”

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Long term retention pay (refer to note (i) below)	14.00	17.00
Compensated absences	1,126.00	693.00
	<b><u>1,140.00</u></b>	<b><u>710.00</u></b>

#### (i) Long Term Retention Pay

The group has a Long Term Retention Pay Plan which covers employees selected on the basis of their current band and their long term value to the Company. The incentive is payable in three year blocks subject to achievement of certain performance ratings. The Company also has a scheme for talent retention of certain identified employees under which an incentive is payable over a period of three years. Based on actuarial valuation, the Company has accrued the above mentioned amounts.

## 48. EMPLOYEE SHARE BASED PAYMENTS

The group has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to certain employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

There were no equity shares granted during the current year. The number and fair value of equity shares granted during the previous year are as under:

	Year ended March 31, 2019 Rs./lakhs
Number of equity shares granted during the year	60,000.00
Market price on the grant date (Rs. per equity share)	1,724.73
Exercise price (Rs. per equity share)	10.00
Fair value on the grant date (Rs. per equity share)	1,714.73

## 49. SEGMENT REPORTING

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

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

Effective April 1, 2018, the Group has realigned its operating segments based on requirements under Ind AS 108 – Operating Segments. Accordingly, Laminated Fabrics business and Coated Fabrics business from “Technical Textiles Business” segment and Engineering Plastics business from “Chemicals and Polymers Business” segment have been regrouped to “Others” segment. Also “Chemicals and Polymers Business” segment has been renamed to “Chemicals Business” segment. Relevant comparative information has been restated to give effect to the above changes.

## Notes to consolidated financial statement for the year ended March 31, 2020

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

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above, the accounting policies in relation to segment accounting are as under:

### a) Segment revenue and expenses

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments. These amounts relate to continuing operations, unless otherwise stated. (Refer to note 42 with regard to information in relation to discontinued operations).

### b) Segment assets and liabilities

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

## A Information about operating business segments

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Segment revenue</b>		
a) Technical textiles business (TTB)		
- External sales	135,262.08	173,153.71
- Inter-segment sales	493.41	336.12
<b>Total</b>	<b>135,755.49</b>	<b>173,489.83</b>
b) Chemicals and polymers (CPB)		
- External sales	297,495.61	244,542.04
- Inter-segment sales	-	-
<b>Total</b>	<b>297,495.61</b>	<b>244,542.04</b>
c) Packaging films business (PFB)		
- External sales	260,357.50	265,103.10
- Inter-segment sales	41.46	230.75
<b>Total</b>	<b>260,398.96</b>	<b>265,333.85</b>
d) Others		
- External sales	27,825.55	27,160.76
- Inter-segment sales	8.04	0.17
<b>Total</b>	<b>27,833.59</b>	<b>27,160.93</b>
e) Others	1,101.38	2,540.78
	<b>1,101.38</b>	<b>2,540.78</b>
<b>Total segment revenue</b>	722,585.03	713,067.44
Less: Inter Segment revenue	542.91	567.04
<b>Revenue from operations</b>	722,042.12	712,500.39
Add: unallocable income	4,905.32	2,797.29
<b>Total revenue</b>	<b>726,947.44</b>	<b>715,297.68</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**Segment Profits**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Profit/ (loss) before interest and tax from each segment		
a) Technical textiles business (TTB)	15,149.30	26,147.26
b) Chemicals and polymers (CPB)	51,147.74	38,425.20
c) Packaging films business (PFB)	55,562.17	41,148.45
d) Others	3,386.67	3,319.48
<b>Total segment results</b>	<b>125,245.88</b>	<b>109,040.40</b>
Less: i) Interest and finance Charges	19,951.61	19,986.42
Less: ii) Other unallocable expenses net of income	13,498.44	11,221.82
<b>Profit before tax from continuing operations</b>	<b>91,795.83</b>	<b>77,832.16</b>
<b>Profit before tax from discontinued operations (Refer note 42 )</b>	<b>15,585.49</b>	<b>5,845.61</b>
<b>Total Profit before tax</b>	<b>107,381.31</b>	<b>83,677.77</b>
<b>Capital Expenditure</b>		
a) Technical textiles business (TTB)	6,318.15	5,208.10
b) Chemicals and polymers (CPB)	50,327.18	84,148.81
c) Packaging films business (PFB)	109,849.20	18,699.73
d) Others	3,349.00	3,039.53
e) Unallocated	652.99	640.64
<b>Total</b>	<b>170,496.52</b>	<b>111,736.81</b>
<b>Depreciation and amortisation</b>		
a) Technical textiles business (TTB)	3,468.74	3,494.06
b) Chemicals and polymers (CPB)	24,533.12	22,160.79
c) Packaging films business (PFB)	8,626.03	8,301.45
d) Others	602.04	1,066.04
e) Unallocated	1,384.17	1,038.42
<b>Total</b>	<b>38,614.10</b>	<b>36,060.76</b>

**Segment assets and liabilities**

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
<b>Segment Assets</b>			
a) Technical textiles business (TTB)	138,506.49	153,971.26	138,993.48
b) Chemicals and polymers (CPB)	524,750.27	492,542.71	389,830.88
c) Packaging films business (PFB)	358,276.72	277,613.65	247,884.19
d) Others	40,725.56	53,739.25	49,788.56
<b>Total</b>	<b>1,062,259.04</b>	<b>977,866.88</b>	<b>826,497.11</b>



	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Unallocable assets	46,221.52	34,823.62	30,090.45
Assets classified as held for sale	1,184.00	-	-
<b>Total Assets</b>	<b><u>1,109,664.56</u></b>	<b><u>1,012,690.50</u></b>	<b><u>856,587.56</u></b>
<b>Segment Liabilities</b>			
a) Technical textiles business (TTB)	30,371.03	39,623.49	45,046.18
b) Chemicals and polymers (CPB)	51,532.62	44,898.04	34,979.84
c) Packaging films business (PFB)	66,405.37	70,999.59	44,116.47
d) Others	<u>4,467.29</u>	<u>7,907.04</u>	<u>8,518.72</u>
<b>Total</b>	152,776.31	163,428.16	132,661.21
Unallocable Liabilities	441,667.11	415,137.49	349,974.31
<b>Total Liabilities</b>	<b><u>594,443.42</u></b>	<b><u>578,565.65</u></b>	<b><u>482,635.52</u></b>

#### B Information about geographical business segments

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Revenue from operations</b>		
- India	369,510.53	378,972.90
- South Africa	36,305.63	34,426.22
- Singapore	1,303.80	7,091.91
- Germany	52,559.25	31,248.06
- USA	42,694.27	34,149.07
- Thailand	14,073.59	18,702.11
- Switzerland	42,538.14	21,051.29
- Belgium	29,359.40	26,390.03
- Others	138,602.83	163,266.09
	<b><u>726,947.44</u></b>	<b><u>715,297.68</u></b>

#### Non current segment assets

	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Within India	602,213.85	572,925.00	509,818.00
Outside India	183,525.03	92,849.38	78,488.39
	<b><u>785,738.88</u></b>	<b><u>665,774.38</u></b>	<b><u>588,306.39</u></b>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**Revenue from major products**

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>a) Technical Textiles Business (TTB)</b>		
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	117,873.28	150,021.68
Synthetic filament yarn including Industrial yarn /Twine	16,285.64	21,614.00
<b>b) Chemicals Business (CB)</b>		
Fluorospecialities chemicals	162,382.69	103,912.67
Fluorochemicals, Refrigerant Gases and allied products	92,908.38	98,968.47
Chlorinated solvents and industrial chemicals	34,488.79	34,780.00
Waste/others	130.67	1,354.97
<b>c) Packaging Films Business (PFB)</b>		
Packaging Films	255,708.81	257,781.65
<b>d) Others</b>		
Coated fabric, laminated fabric and other ancillary activities	26,433.30	26,555.43
	<b><u>706,211.56</u></b>	<b><u>694,988.87</u></b>

**50. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**
**50.1 Capital Management**

The group manages its capital to ensure that it will be able to continue as a going concern and provide reasonable return to the shareholders by maintaining a reasonable balance between debt and equity. The capital structure of the group consists of net debt (borrowings net of cash and cash equivalents and current investments) and total equity of the group. The group is not subject to any externally imposed capital requirements. The group's management reviews the capital structure of the group on periodic basis. As part of its review, the management considers the cost of capital and risk associated with each class of capital. The group also evaluates its gearing measures using 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, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
Debt	405,451.64	373,595.50	314,393.20
Cash and bank balance	12,772.34	20,200.62	9,999.20
Investments	<u>35,396.94</u>	<u>24,282.78</u>	<u>24,506.71</u>
<b>Net debt</b>	<b>357,282.36</b>	<b>329,112.11</b>	<b>279,887.29</b>
<b>Total equity</b>	<b>279,787.71</b>	<b>237,062.84</b>	<b>204,036.28</b>
<b>Net debt to equity ratio</b>	<b>1.28</b>	<b>1.39</b>	<b>1.37</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**
**50.2 Financial instruments by category**
**Rs in Lakhs**

Financial assets	Level of hierarchy	Notes	Carrying value as at			Fair value as at		
			As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Measured at amortised cost</b>								
Trade Receivables		a	89,298.74	103,154.23	68,141.68	89,298.74	103,154.23	68,141.68
Cash and cash equivalents		a	11,817.67	19,219.22	9,006.26	11,817.67	19,219.22	9,006.26
Bank balances other than above		a	954.67	981.39	992.94	954.67	981.39	992.94
Loans		a,b	2,777.24	2,412.98	1,825.91	2,777.24	2,412.98	1,825.91
Investment in Bonds & Debentures		c	2,337.23	1,825.00	1,791.74	2,337.23	1,825.00	1,791.74
Other financial assets		a	23,885.32	20,072.24	16,499.58	23,885.32	20,072.24	16,499.58
			<b>131,070.87</b>	<b>147,665.07</b>	<b>98,258.11</b>	<b>131,070.87</b>	<b>147,665.07</b>	<b>98,258.11</b>
<b>Measured at Fair value through Other comprehensive income</b>								
Investments in equity instruments		d	9,256.85	8,347.34	7,114.13	9,256.85	8,347.34	7,114.13
Investments in mutual funds		d	1,079.81	-	-	1,079.81	-	-
Derivative Instrument		d	-	3,085.26	1,158.74	-	3,085.26	1,158.74
			<b>10,336.66</b>	<b>11,432.60</b>	<b>8,272.87</b>	<b>10,336.66</b>	<b>11,432.60</b>	<b>8,272.87</b>
<b>Measured at Fair value through Profit and loss</b>								
Investments in Bonds & Debentures		c	150.00	554.65	3,535.68	150.00	554.65	3,535.68
Investments in preference shares		d	500.00	500.00	500.00	500.00	500.00	500.00
Investments in mutual funds		d	19,849.96	10,898.64	9,737.17	19,849.96	10,898.64	9,737.17
Investments in other instruments		d	2,223.09	2,157.15	1,827.99	2,223.09	2,157.15	1,827.99
Derivative Instrument		d	8.13	342.46	144.42	8.13	342.46	144.42
			<b>22,731.18</b>	<b>14,452.90</b>	<b>15,745.26</b>	<b>22,731.19</b>	<b>14,452.90</b>	<b>15,745.26</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**

Financial liabilities	Level of hierarchy	Notes	Carrying value as at			Fair value as at		
			As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>Measured at amortised cost</b>								
Borrowings		a,c	375,455.06	343,600.50	284,418.20	375,455.06	343,600.50	284,418.20
Debt Securities		c	29,996.57	29,995.00	29,975.00	29,996.57	29,995.00	29,975.00
Lease Liabilities		a,c	5,371.68	-	-	5,371.68	-	-
Trade Payables		a	111,169.03	138,241.93	104,424.21	111,169.03	138,241.93	104,424.21
Other financial liabilities		a	30,124.70	16,107.55	14,252.37	30,124.70	16,107.55	14,252.37
			<b>552,117.05</b>	<b>527,944.98</b>	<b>433,069.78</b>	<b>552,117.05</b>	<b>527,944.98</b>	<b>433,069.77</b>
<b>Measured at Fair value through profit and loss</b>								
Derivative instruments	2	d	258.01	-	-	258.01	-	-
			<b>258.01</b>	-	-	<b>258.01</b>	-	-
<b>Measured at Fair value through other comprehensive income</b>								
Derivative instruments	2	d	6,803.99	425.78	36.18	6,803.99	425.78	36.18
			<b>6,803.99</b>	<b>425.78</b>	<b>36.18</b>	<b>6,803.99</b>	<b>425.78</b>	<b>36.18</b>

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

- 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.
- 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.
- Fair value of other long-term borrowings and lease liabilities is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.
- The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the Year ended March 31, 2020 and March 31, 2019

**Level 1:**

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

**Level 2:**

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

**Level 3:**

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

## Notes to consolidated financial statement for the year ended March 31, 2020

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:

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

Reconciliation of Level 3 fair value measurements	Unlisted equity instruments
<b>As at April 1, 2018</b>	<b>902.48</b>
Purchases	-
Sale of investment	(1.00)
<b>As at March 31, 2019</b>	<b>901.48</b>
Purchases	<b>405.00</b>
Sale of investment	-
<b>As at March 31, 2020</b>	<b>1,306.48</b>

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

### 50.3 Financial Risk Management

The group is exposed to various financial risks arising from its underlying operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The group's Corporate Treasury function plays the role of monitoring financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk and liquidity risk. group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the Corporate Treasury function within the group. Review of the financial risk is done on a monthly basis by the Managing Director and on a quarterly basis by the Board of Directors. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk management policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. The Board of Directors / Managing Director reviews and approves policies for managing each of the above risks.

#### 50.3.1 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 group enters into derivative contracts as approved by the Board to manage its exposure to interest rate risk and foreign currency risk.

## Notes to consolidated financial statement for the year ended March 31, 2020

### A. Foreign Currency Risk Management

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

In the operating activities, the group's exchange rate risk primarily arises when revenue / costs are generated in a currency that is different from the reporting currency (transaction risk). In compliance with the Board approved policy, the Group manages the net exposure on a rolling 12 month basis and for exposures between 12 to 36 months, hedging is done based on specific exposure. The information is monitored by the Audit committee and the Board of Directors on a quarterly basis. This foreign currency risk exposure of the group are mainly in U.S. Dollar (USD), Euro (EUR), Japanese Yen (JPY) and British pound sterling (GBP). The group's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in Rs. are as follows:

	Assets			Liabilities		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
USD	28,030.03	38,387.09	31,602.68	157,655.32	200,990.44	174,955.73
EUR	11,434.07	12,847.92	9,280.53	81,384.77	47,571.61	46,911.35
JPY	-	-	-	687.38	771.63	654.70
GBP	412.75	485.13	33.00	25.83	57.81	8.00

### Foreign currency sensitivity analysis

The group is mainly exposed to changes in USD, EURO, JPY and GBP exchange rates.

The following table details the group'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 March 31, 2020		Year ended March 31, 2019	
	Rs. strengthens by 1%	Rs. weakens by 1%	Rs. strengthens by 1%	Rs. weakens by 1%
Impact on profit / (loss) *				
USD	918.45	(918.45)	1,253.98	(1,253.98)
EUR	121.45	(121.45)	(31.41)	31.41
JPY	6.87	(6.87)	7.72	(7.72)
GBP	(3.87)	3.87	(4.85)	4.85

\* Includes sensitivity on long-term foreign currency monetary items on which Para D13 AA of Ind AS 101. Accordingly, the exchange loss/ (gain) arising on long term foreign currency monetary items relating to acquisition of depreciable assets will be added to/deducted from the cost of such assets/capital work-in-progress and will be depreciated over the balance useful life of assets.

Impact on equity (Other comprehensive income)				
USD	377.80	(377.80)	345.41	(345.41)
EUR	578.06	(578.06)	388.00	(388.00)

### Foreign exchange derivative contracts

The group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within of 1 to 24 months for hedges of forecasted sales, purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

**Notes to consolidated financial statement for the year ended March 31, 2020**

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 Millions)		
	As at	As at	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
USD/INR Sell forward	196	110	34	254.56	113.00	60.50
EUR/INR sell forward	27	-	-	38.00	-	-
EUR/USD Sell forward	4	11	8	6.00	12.00	3.90
EUR/USD Buy forward	-	-	3	-	-	7.32
EUR/THB Buy forward	-	12	-	-	17.50	-
USD/THB Buy forward	-	1	4	-	0.50	2.27
USD/ZAR Buy Forward	-	-	3	-	-	0.30
EUR/USD Buy forward	9	-	-	15.14	-	-
USD/ZAR Buy forward	1	-	-	0.40	-	-
USD/ZAR Sell forward	1	-	-	0.40	-	-

Outstanding Contracts*	Maturity					
	Up to 12 months Nominal Amount* (Rs. Lakhs)			More than 12 months Nominal Amount* (Rs. Lakhs)		
	As at	As at	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
USD/INR Sell forward	124,366.87	78,075.18	39,681.04	68,077.95	4,506.80	1,359.15
EUR/INR sell forward	17,264.73	-	-	15,378.04	-	-
EUR/USD Sell forward	5,050.66	9,551.04	3,102.96	-	-	-
EUR/USD Buy forward	-	-	5,915.08	-	-	-
EUR/THB Buy forward	-	14,216.00	-	-	-	-
USD/THB Buy forward	-	343.84	1,502.24	-	-	-
USD/ZAR Buy Forward	-	-	1,000.96	-	-	-
EUR/USD Buy forward	11,032.55	-	-	-	-	-
USD/ZAR Buy forward	250.60	-	-	-	-	-
USD/ZAR Sell forward	260.25	-	-	-	-	-

\* Computed using average forward contract rates

The following table details the group'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 foreign currency rates. A positive number below indicates an increase in profit before tax or vice-versa.

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. strengthens by 1%	Rs. weakens by 1%	Rs. strengthens by 1%	Rs. weakens by 1%
Impact on profit / (loss) for the year				
USD	138.38	(138.38)	92.07	(92.07)
EUR	50.12	(50.12)	50.67	(50.67)
				-
Impact on equity				-
USD	1,959.50	(1,959.50)	699.36	(699.36)
EUR	330.92	(330.92)	(94.78)	94.78

## Notes to consolidated financial statement for the year ended March 31, 2020

### B. Interest Rate Risk Management

Interest rate risk arises from movements in interest rates which could have effects on the group's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group manages its interest rate risk by having a portfolio of fixed and variable rate loans and borrowings. The group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed principal amount outstanding at the time of inception of the swap. Out of the total long term borrowings, the amount of fixed interest loan is Rs. 99,504.12 lakhs and floating interest loan is Rs. 2,09,636.10 lakhs (2019: Fixed interest loan Rs. 85,300.05 lakhs and Floating interest loan Rs. 1,75,700.40 lakhs, 2018 : Fixed interest loan Rs. 93,900.25 lakhs and Floating interest loan Rs. 1,34,800.39 lakhs)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate long term borrowings, as follows:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %	Rs. loans interest rate decreases by 0.50 %	Foreign currency loans interest rate decreases by 0.15 %
Increase in profit before tax by	148.30	269.96	209.00	200.90

In case of increase in interest rate by above mentioned percentage, there would be a comparable negative impact on the profit before tax as mentioned above.

### Interest Rate Swap Contracts

Under interest rate swap (IRS) contracts, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on the agreed notional principal amounts. Such contracts enables the group to mitigate the risk of changing interest rates.

The following table details the IRS contracts outstanding at the end of the reporting period:

Outstanding Contracts	No. of Deals			Contract value of foreign Currency (In Millions)		
	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
IRS Contracts*	3	4	7	15.05	23.13	36.21

Outstanding Contracts	Maturity					
	Up to 12 months Nominal Amount* (Rs. Lakhs)			More than 12 months Nominal Amount* (Rs. Lakhs)		
	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2018 Rs./lakhs
IRS Contracts*	2,671.03	5,424.00	8,784.00	8,699.24	10,558.00	14,807.00

Each of the above trades are in the nature of cash flow hedges and are effective hedges. The mark to market on these trades is therefore routed through Cash flow Hedge Reserve. The interest rate swap and the interest payments on the loan are paid simultaneously and are charged to statement of profit and loss.

\*Sensitivity on the above IRS contracts in respect of interest rate exposure is insignificant





**Notes to consolidated financial statement for the year ended March 31, 2020**

**C. Hedge accounting**

**Cash flow hedges**

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2020			Year ended March 31, 2020		As at March 31, 2019			Year ended March 31, 2019
	Nominal amount (Rs. Lakhs)	Carrying amount Assets / (liabilities) (Rs. Lakhs)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI (Rs. Lakhs)	Nominal amount (Rs. Lakhs)	Carrying amount Assets / (liabilities) (Rs. Lakhs)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in OCI (Rs. Lakhs)	
Foreign exchange contracts	222,480.00	(6,562.25)	Other financial assets / liabilities (current and non - current)	(8,849.82)	91,203.49	2,287.57	Other financial assets / liabilities (current and non - current)	1,832.57	
Foreign currency denominated loans	95,586.00	(95,586.00)	Non-current borrowing	(6,589.50)	73,337.50	(73,337.50)	Non-current borrowing	3,524.56	
Interest rate swap contacts	11,370.27	(241.75)	Other financial assets / liabilities (current and non - current)	(613.60)	15,982.00	372.00	Other financial assets / liabilities (current and non - current)	(332.55)	

Hedging instruments	As at April 1, 2018	
	Nominal amount (Rs. Lakhs)	Carrying amount Assets / (liabilities) (Rs. Lakhs)
Foreign exchange contracts	42,186.26	455.00
Foreign currency denominated loans	40,357.00	(40,357.00)
Interest rate swap contacts	23,591.00	704.97



**Notes to consolidated financial statement for the year ended March 31, 2020**

**Fair value hedges**

The amounts at the reporting date relating to the item designed as hedge items are as follows:

Hedging instruments	As at March 31, 2020			As at March 31, 2019			Year ended March 31, 2019	
	Nominal amount (Rs. lakhs)	Carrying amount Assets / (liabilities) (Rs. Lakhs)	Line item where the hedging instrument is included	Change in the value of the hedging instrument recognised in consolidated statement of Profit and loss (Rs. lakhs)	Nominal amount (Rs. lakhs)	Carrying amount Assets / (liabilities) (Rs. Lakhs)		Line item where the hedging instrument is included
Foreign exchange contracts	19,201.40	(249.88)	Other financial assets (current and Non-current)	(313.43)	15,489.44	342.46	Other financial assets / liabilities (current and non - current)	200.12
<b>Hedging instruments</b>								
				<b>As at April 1, 2018</b>				
				<b>Nominal amount (Rs. lakhs)</b>		<b>Carrying amount Assets / (liabilities) (Rs. Lakhs)</b>	<b>Line item where the hedging instrument is included</b>	
Foreign exchange contracts				10,375.63		107.82	Other financial assets / liabilities (Current and Non - current)	

## Notes to consolidated financial statement for the year ended March 31, 2020

### 50.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables, loans and other financial assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with counterparties who meet the parameters specified in Investment Policy of the groups. The investment policy is reviewed by the group's Board of Directors on an annual basis and if required, the same may be updated during the year. The investment policy specifies the limits of investment in various categories of products so as to 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 group 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 aging of such receivables.

With regards 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 other than as detailed below.

	Note No.	As at March 31, 2020 Rs./lakhs	As at March 31, 2019 Rs./lakhs	As at April 1, 2019 Rs./lakhs
Loans	5	274.33	281.80	289.64
Trade receivables	13	360.55	248.64	1,583.08
		<b>634.88</b>	<b>530.44</b>	<b>1,872.72</b>

#### Movement of loss allowance :

	Loans	Trade receivables
<b>As at April 1, 2018</b>	<b>289.31</b>	<b>1,584.07</b>
Provided during the year	136.85	86.36
Reversed during the year	(144.99)	(1,421.54)
<b>As at March 31, 2019</b>	<b>281.17</b>	<b>248.89</b>
Provided during the year	16.87	187.63
Reversed during the year	(24.06)	(75.98)
<b>As at March 31, 2020</b>	<b>273.98</b>	<b>360.54</b>

Other than financial assets mentioned above, none of the group's financial assets are impaired, as there are no indications that defaults in payments obligation would occur.

### 50.3.3 Liquidity Risk Management

Liquidity risk is the risk of non-availability of financial facilities available to the group to meet its financial obligations. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of money market instruments, bank overdrafts, bank loans, debentures and other types of facilities. The liquidity management is governed by the Board approved liquidity management policy. Any deviation from the policy has to be approved by the Treasury Management comprising of Managing Director, Chief Financial Officer and Treasury Head. The group assesses the concentration of risk with respect to refinancing its debt, guarantee given and funding of its capital expenditure according to needs of the future. The group manages its liquidity by holding appropriate volumes of liquid assets which are available for its disposal on T +1 basis and by maintaining open credit lines with banks / financial institutions.

The table below analyze the group's financial liabilities into relevant maturity profiles based on their contractual maturities:

**Notes to consolidated financial statement for the year ended March 31, 2020**

<b>As at March 31, 2020</b>	<b>Less than 1 year</b>	<b>More than 1 year and upto 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	144,291.92	203,320.06	27,843.07	375,455.05
Debt Securities	29,996.57			29,996.57
Lease Liabilities	1,371.08	698.60	3,302.00	5,371.68
Derivative financial instrument	7,062.01			7,062.01
Subordinate liabilities	25.84		1,291.94	1,317.78
Trade payables	111,169.03	-	-	111,169.03
Other financial liabilities	27,837.68	2,287.00	-	30,124.68
	<b><u>321,754.13</u></b>	<b><u>206,305.66</u></b>	<b><u>32,437.01</u></b>	<b><u>560,496.80</u></b>

<b>As at March 31, 2019</b>	<b>Less than 1 year</b>	<b>More than 1 year and upto 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	156,308.21	172,362.55	13,776.00	342,446.76
Debt Securities	-	29,995.00	-	29,995.00
Derivative financial instrument	425.78			425.78
Subordinate liabilities	103.36		1,291.94	1,395.30
Trade payables	138,241.93	-	-	138,241.93
Other financial liabilities	16,107.55	-	-	16,107.55
	<b><u>311,186.82</u></b>	<b><u>202,357.55</u></b>	<b><u>15,067.94</u></b>	<b><u>528,612.32</u></b>

<b>As at April 1, 2018</b>	<b>Less than 1 year</b>	<b>More than 1 year and upto 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	123,667.46	135,007.75	25,743.00	284,418.21
Debt Securities		29,975.00		29,975.00
Derivative financial instrument	36.18			36.18
Subordinate liabilities	103.36		1,291.94	1,395.30
Trade payables	104,424.21	-	-	104,424.21
Other financial liabilities	14,252.37	-	-	14,252.37
	<b><u>242,483.59</u></b>	<b><u>164,982.75</u></b>	<b><u>27,034.94</u></b>	<b><u>434,501.28</u></b>

**51. CONTRACT BALANCES**

The following table provides information about contract assets and contract liabilities from contracts with customers

<b>Contact assets</b>	<b>Year ended March 31, 2020 Rs./lakhs</b>	<b>Year ended March 31, 2019 Rs./lakhs</b>
Opening balance	2,551.63	-
Increase as a result of changes in measure of progress	-	2,551.63
Transfer from contract assets recognised at the beginning of the year to receivables	2,551.63	-
	<b><u>-</u></b>	<b><u>2,551.63</u></b>

**Notes to consolidated financial statement for the year ended March 31, 2020**

Contact assets	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Contact liability</b>		
Opening balance	1,669.29	3,312.37
Revenue recognised that was included in the contract liability balance at the beginning of the period	(1,669.29)	(3,312.37)
Increase due to cash received, excluding the amount recognised as revenue during the period	1,267.53	1,669.29
	<u><b>1,267.53</b></u>	<u><b>1,669.29</b></u>

**52. NON - CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION**
**A. Engineering Plastics Business of SRF Limited**
**(a) Description**

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

**(b) Financial performance and cash flow information**

Sl. No.	Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
I	(a) Sale of Products	7,487.21	25,262.44
	(b) Other operating Revenues	26.04	112.99
	<b>(c) Revenue from operations {(a)+(b)}</b>	<u>7,513.25</u>	<u>25,375.43</u>
	(d) Other income	-	19.36
	<b>(e) Total income {(c)+(d)}</b>	<u>7,513.25</u>	<u>25,393.79</u>
	(f) Total expenses	6,705.01	22,986.86
	<b>(g) Profit before tax for the period from discontinued operations {(e)-f(f)}</b>	<u>808.24</u>	<u>2,406.93</u>
	(h) Tax expense related to discontinued operations	282.14	841.08
	<b>(i) Net Profit after tax for the period from discontinued operations {(g)-l(h)}</b>	<u>526.10</u>	<u>1,565.85</u>
II	<b>(a) Profit before tax on disposal of discontinued operations</b>	23,373.89	-
	(b) Tax expense related to disposal of discontinued operations	5,841.02	-
	<b>(c) Net Profit after tax on disposal of discontinued operations {(II(a)-II(b))}</b>	<u>17,532.87</u>	<u>-</u>
III	<b>Net Profit after tax for the period from discontinued operations {(i)+(II (c))}</b>	<u><b>18,058.97</b></u>	<u><b>1,565.85</b></u>
IV	Net cash generated from operating activities	1,729.00	1,306.02
V	Net cash generated from / (used in) investing activities	26,892.00	(452.60)
VI	Net cash used in financing activities	(14.00)	(87.05)

**Notes to consolidated financial statement for the year ended March 31, 2020**
**(c) Revenue from major products**

Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Nylon/ PBT/ PC compounding chips	7,487.21	25,262.44

**(d) Details of disposal of discontinued operations:**

	Year ended March 31, 2020 Rs./lakhs
Proceeds from sale of business	31,576.80
Carrying amount of net assets transferred	(7,632.34)
Costs incurred on sale of business	(570.57)
<b>Profit before tax on disposal of discontinued operations</b>	<b>23,373.89</b>
Tax expense related to disposal of discontinued operations	5,841.02
<b>Net Profit after tax on disposal of discontinued operations</b>	<b>17,532.87</b>

**(e) The carrying amounts of assets and liabilities as at the date of sale were as follows:**

	As at July 31, 2019 Rs./lakhs
Property, plant and equipment	4,485.78
Goodwill	78.69
Intangible assets	22.48
Inventory	2,507.09
Trade receivables	2,527.13
Other assets	41.84
<b>Total assets</b>	<b>9,663.01</b>
Trade payables	(1,958.98)
Other liabilities and provisions	(71.70)
<b>Total liabilities</b>	<b>(2,030.68)</b>
<b>Net assets transferred</b>	<b>7,632.33</b>

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

SRF Industries(Thailand) Limited closed its Technical Textiles Business operations located at Rayong, Thailand w.e.f. October 21, 2019. The business was reported as part of Technical Textiles Business as per requirements of Ind AS 108 – “Operating Segments” in the consolidated financial results till last year. The financial information of the said business have been classified as Discontinued Operations as per requirements of INDAS 105 - “Non-current assets held for sale and discontinued operations”. The relevant assets and liabilities have been recognised at estimated fair value and all future realizations / settlements of said assets / liabilities will continue to be shown under discontinued operations. The particulars of said discontinued operations are as under:

**Notes to consolidated financial statement for the year ended March 31, 2020**
**(b) Financial performance and cash flow information**

S. No.	Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
I	(a) Sale of Products	13,359.23	33,886.21
	(b) Other operating Revenues	51.67	47.60
	(c) <b>Total revenue from operations {I(a)+I(b)}</b>	<b>13,410.90</b>	<b>33,933.81</b>
	(d) Other income	181.41	1,197.99
	(e) <b>Total income {I(c)+I(d)}</b>	<b>13,592.31</b>	<b>35,131.80</b>
	(f) Total expenses excluding point no.(g)	15,159.83	31,693.12
	(g) Impact on account of fair value measurement loss / (gain) on assets/liabilities	7,029.12	-
	(h) <b>Profit / (loss) before tax from discontinued operations {I(e)-I(f)-I(g)}</b>	<b>(8,596.64)</b>	<b>3,438.68</b>
	(i) Tax expense / (gain) related to discontinued operations	(856.90)	-
II	<b>Net Profit / (loss) after tax from discontinued operations{I(h)-I(i)}</b>	<b>(7,739.74)</b>	<b>3,438.68</b>
III	Net cash generated from operating activities	(411.00)	5,390.51
IV	Net cash generated from investing activities	(255.92)	(128.12)
V	Net cash used in financing activities	(54.65)	(3,161.71)

**(c) Revenue from major products**

Particulars	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Nylon tyre cord fabric/ Polyester tyre cord fabric / Belting fabric	13,359.23	33,886.21

**(d) Assets classified as held for sale**

	As at March 31, 2020 Rs./lakhs
Property plant and equipment	1,184.00

- C. Pursuant to requirements of Ind AS 105, the amounts in the consolidated statement of profit and loss (and related notes) for the current year and the previous year have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

**Notes to consolidated financial statement for the year ended March 31, 2020**
**53. GROUP INFORMATION**

Name	Principal activities	Country of incorporation	% equity interest		
			March 31, 2020	March 31, 2019	April 1, 2018
SRF Holiday Home Limited	Development and lease of Industrial, commercial and residential complexes	India	100%	100%	100%
SRF Employees Welfare Trust	Implementation and operationalisation of long term incentive plans of the Company	India	*	*	-
SRF Global BV	Investment company	Netherlands	100%	100%	100%
SRF Flexipak (South Africa) (Pty) Limited (subsidiary of SRF Global BV)	Manufacture of BOPP and metallized BOPP films	Republic of South Africa	100%	100%	100%
SRF Europe Kft (subsidiary of SRF Global BV)	Manufacture of Polyester film and metallized Polyester film	Hungary	100%	100%	-
SRF Industries (Thailand) Limited (subsidiary of SRF Global BV)	Manufacture of Tyre cord fabric, Polyester film and metallized Polyester film & trading of chemical products	Thailand	100%	100%	100%
SRF Industex Belting (Pty) Limited (subsidiary of SRF Global BV)	Trading of chemical products	Republic of South Africa	100%	100%	100%
SRF Ltd	Manufacturing purchase and sale of Technical Textile, Chemicals, Packaging films and other Polymers	India	52.28%	52.28%	52.33%
Shri Educare Ltd	Education	India	100%	100%	100%
KAMA Realty (Delhi) Ltd	Real Estate Business	India	100%	100%	100%
SRF Transnational Holdings Ltd	Non Banking Finance Company	India	100%	100%	100%
KAMA Real Estate Holdings LLP	Real Estate and Investment	India	100%	100%	100%
Shri Educare Maldives Pvt Ltd	Education	India	100%	100%	100%

\* By virtue of management control





Notes to consolidated financial statement for the year ended March 31, 2020

**54. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO THE SCHEDULE III TO THE COMPANIES ACT, 2013**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss <sup>^</sup>		Share in other comprehensive income <sup>^</sup>		Share in total comprehensive income <sup>^</sup>	
	As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated Share in profit or loss	Amount (Rs. Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. Lakhs)	As % of total consolidated comprehensive income	Amount (Rs. Lakhs)
<b>I Parent - KAMA Holdings Ltd</b>	0%	(1,263.24)	0%	(169.21)	0%	(0.32)	0%	(169.53)
<b>II Subsidiaries:</b>								
<b>A Indian</b>								
1 SRF Ltd	91%	468,424.58	96%	97,075.11	82%	(11,254.31)	97%	85,820.85
2 KAMA Realty (Delhi) Ltd	1%	3,289.22	0%	485.92	0%	20.25	1%	506.17
3 KAMA Real Estate Holdings LLP	2%	8,905.12	0%	(417.99)	10%	(1,386.80)	-2%	(1,804.80)
4 Shri Educare Ltd	0%	138.22	0%	(161.24)	0%	(15.95)	0%	(177.19)
5 SRF Transnational Holdings Ltd	2%	10,637.98	0%	342.91	3%	(362.06)	0%	(19.15)
6 SRF Holiday Home Ltd	0%	374.21	0%	(4.02)	-	-	0%	(4.02)
7 SRF Employees Welfare Trust	*	*		**	-	-	-	**
<b>B. Foreign</b>								
1 SRF Global BV (Consolidated)	6%	34,279.52	4%	4,270.70	5%	(646.54)	4%	3,624.13
2 Shri Educare Maldives P Ltd	0%	181.94	0%	11.74	0%	14.54	0%	26.27
Adjustments arising out of consolidation	-2%	(9,746.41)	0%	224.01	-	-	0%	224.01
<b>Total</b>	<b>100%</b>	<b>515,221.14</b>	<b>100%</b>	<b>101,657.93</b>	<b>100%</b>	<b>(13,631.19)</b>	<b>100%</b>	<b>88,026.74</b>
<b>Non-controlling Interests in all subsidiaries</b>	<b>46%</b>	<b>235,433.43</b>	<b>47.72%</b>	<b>48,633.94</b>	<b>47.72%</b>	<b>(5,679.46)</b>	<b>47.72%</b>	<b>42,954.49</b>

\* Amount in absolute Rs 35,957

\*\* Amount in absolute Rs (7,426)

^ Includes discontinued operations

**Notes to consolidated financial statement for the year ended March 31, 2020**
**55. ADDITIONAL DISCLOSURES**
**(a) RESEARCH AND DEVELOPMENT EXPENDITURE**

The details of research and development expenditure of Rs.13,277.13 lakhs (Previous year- Rs. 10,440.47 lakhs) included in these special purpose consolidated financials statements are as under:

	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Capital expenditure	3,309.16	406.00
Revenue expenditure	9,967.97	10,034.47
	<b>13,277.13</b>	<b>10,440.47</b>
The details of revenue expenditure incurred on research and development is as below:		
Cost of material consumed	150.59	245.52
Salaries and wages, including Bonus	3,785.08	3,495.60
Contribution to provident and other funds	245.26	203.00
Workmen and staff welfare expenses	361.87	307.00
Stores and spares consumed	614.98	845.00
Power and fuel	774.39	724.00
Rent	3.77	128.07
Repairs and maintenance		
- Buildings	-	1.20
- Plant and machinery	1,085.78	933.00
- Others	126.34	155.00
Insurance	86.74	38.43
Rates and taxes	4.19	8.00
Travelling and conveyance	127.48	145.40
Legal and professional charges	395.15	413.00
Depreciation and amortisation expense	1,908.51	1,860.25
Interest cost	36.31	-
Miscellaneous expenses	261.53	532.00
	<b>9,967.97</b>	<b>10,034.47</b>

**(b) MANAGERIAL REMUNERATION**

(i) (a) Remuneration to Chairman / Managing Director / Deputy Managing Director / Whole time Director	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
Salary and contribution to provident and other funds	1,130.62	803.72
Value of perquisites	226.00	352.68
Commission	950.00	650.00
<b>SUB-TOTAL</b>	<b>2,306.62</b>	<b>1,806.40</b>
<b>(b) Remuneration to Non Executive Directors</b>		
Commission	72.00	50.00
Directors sitting fees	23.58	22.85
Other fees	12.35	13.20
<b>SUB-TOTAL</b>	<b>107.93</b>	<b>86.05</b>
<b>TOTAL</b>	<b>2,414.55</b>	<b>1,892.45</b>

**Notes to consolidated financial statement for the year ended March 31, 2020**

- (c) The Group has elected to adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items as described in Para D13 AA of Ind AS 101. Accordingly, exchange loss/ (gain) arising on all long term monetary items financed or re-financed on or before March 31, 2016 relating to acquisition of following depreciable assets are added to/ adjusted from the cost of such assets/ capital work in progress and will be depreciated over the balance useful life of such assets.

Exchange loss/ (gain) added/ (adjusted)	Year ended March 31, 2020 Rs./lakhs	Year ended March 31, 2019 Rs./lakhs
<b>Property, plant and equipment</b>		
- Roads	66.16	79.00
- Buildings	885.79	1,055.00
- Plant and equipment	6,143.85	9,768.99
- Furniture and fixtures	17.66	21.00
- Office equipment	2.86	6.00
	<u>7,116.32</u>	<u>10,929.99</u>
<b>Other Intangible Assets</b>		
- Trade marks/ Brands	32.68	195.33
- Technical knowhow	19.01	113.61
- Others	9.34	55.81
	<u>61.03</u>	<u>364.75</u>

The cumulative exchange loss/ (gain) added/ (adjusted) and remaining unamortised as at March 31, 2020 is Rs. 29,984.14 lakhs (2019: Rs. 25,602.74 lakhs, 2018 : Rs. 16,905.29 lakhs).

- (d) The group was required to spend Rs.1,215.1 Lakhs (Previous year : Rs.1,057.50 Lakhs) on corporate social responsibility activities under section 135 of the Companies Act, 2013 out of which Rs. 1,215.10 Lakhs (Previous year Rs. 1,057.50 Lakhs) has been spent.
- (e) In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on March 25, 2020, which has impacted the business activities of the group. The group has assessed the impact that may result from this pandemic on its liquidity position; carrying amounts of receivables; inventories; tangible and intangible assets; investments; and other assets/liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group has considered internal and external information available till the date of approval of consolidated financial statements and has assessed its situation.

In that context and based on the current estimates, the group believes that COVID - 19 is not likely to have any material impact on its consolidated financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of the consolidated financial statements. The group would closely monitor such developments in future economic conditions and consider their impact on the consolidated financial statements of the relevant periods.

As per our report of even date

**For Luthra and Luthra LLP**

Chartered Accountants

Reg. No. 002081N/N500092

Naresh Agrawal

**Partner**

M.No. 504922

Place : Noida, Uttar Pradesh

Date : 03rd July, 2020

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

Ashish Bharat Ram

**Director**

(DIN: 00671567)

Place: New Delhi

Ekta Maheshwari

**Whole Time Director**

**CFO & Company Secretary**

(DIN: 02071432)

Place: Gurugram, Haryana

Kartik Bharat Ram

**Chairman**

(DIN:00008557)

Place: New Delhi

Amitav Virmani

**Director**

(DIN: 02169955)

Place: New Delhi

Statement pursuant to first proviso to sub section(3) of section 129 of Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed form AOC-1 relating to subsidiaries/associates companies/ joint ventures

**A Statement showing salient features of the financial statements of subsidiaries**

**Indian Subsidiaries**

S. No.	Name of the Subsidiary	SRF Limited	SRF Transnational Holdings Ltd	KAMA Realty (Delhi) Ltd	Shri Educare Ltd
		(Rs. Lakhs)	(Rs. Lakhs)	(Rs. Lakhs)	(Rs. Lakhs)
(a)	Reporting Period	1 April, 2019 to 31 March, 2020	1 April, 2019 to 31 March, 2020	1 April, 2019 to 31 March, 2020	1 April, 2019 to 31 March, 2020
(b)	Date since when subsidiary was acquired/formed	03.08.2012	01.04.2014	30.11.2009	29.09.2009
(c)	Reporting Currency	INR	INR	INR	INR
(d)	Exchange Rate	-	-	-	-
(e)	Share Capital	5,850	3,254	6	951
(f)	Reserves and Surplus	462,575	581	4,870	-266
(g)	Total Assets	881,958	10,604	13,285	3,199
(h)	Total Liabilities (external liabilities)	413,533	6,769	8,404	2,515
(i)	Investment	28,626	8,248	9,799	1,552
(j)	Turnover	638,413	468	758	1,573
(k)	Profit/(Loss) Before Taxation	78,048	415	643	-217
(l)	Tax expense / (income)	-1,311	72	192	-56
(m)	Profit/(Loss) After Taxation	79,359	343	451	-161
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	52.28%	100%	100%	100%

S. No.	Name of the Subsidiary	SRF Holiday Home Limited (Subsidiary of SRF Limited)	KAMA Real Estate Holdings LLP Subsidiary of KAMA Realty (Delhi) Ltd (90%)
		(Rs. Lakhs)	(Rs. Lakhs)
(a)	Reporting Period	1 April, 2019 to 31 March, 2020	1 April, 2019 to 31 March, 2020
(b)	Date since when subsidiary was acquired/formed	30.01.2008	13.12.2016
(c)	Reporting Currency	INR	INR
(d)	Exchange Rate	-	-
(e)	Share Capital	400	10,733
(f)	Reserves and Surplus	(26)	(1,828)
(g)	Total Assets	376	9,548
(h)	Total Liabilities (external liabilities)	2	643
(i)	Investment	-	6,744
(j)	Turnover	-	104
(k)	Profit/(Loss) Before Taxation	(4)	(473)
(l)	Tax expense / (income)	-	(55)
(m)	Profit/(Loss) After Taxation	(4)	(418)
(n)	Proposed Dividend	-	-
(o)	% of shareholding	52.28%	100%

**Foreign Subsidiaries**

S. No.	Name of the Subsidiary	SRF Global BV#		SRF Flexipak (South Africa) (Pty) Limited#	
		(subsidiary of SRF Limited)		(subsidiary of SRF Global BV)	
		USD	Rs. Lakhs	Rand	Rs. Lakhs
(a)	Reporting Period	1 April, 2019 to 31 March, 2020		1 April, 2019 to 31 March, 2020	
(b)	Date since when subsidiary was acquired/formed	20.10.2008		26.10.2011	
(c)	Reporting Currency	USD	Rs. Lakhs	Rand	Rs. Lakhs
(d)	Exchange Rate	76		4.24	
(e)	Share Capital	18,315,664	13,839	100	0
(f)	Reserves and Surplus	(23,179,110)	(17,514)	105,797,049	4,486
(g)	Total Assets	86,014,536	64,993	809,993,477	34,344
(h)	Total Liabilities (external liabilities)	90,877,982	68,667	704,196,328	29,858
(i)	Investment	*	*	-	-
(j)	Turnover	-	-	929,878,943	39,427
(k)	Profit/(Loss) Before Taxation	(1,433,060)	(1,083)	55,950,250	2,372
(l)	Tax expense / (income)	-	-	15,751,234	668
(m)	Profit/(Loss) After Taxation	(1,433,060)	(1,083)	40,199,016	1,704
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	52.28%		52.28%	

\* Investment in subsidiary USD 95,26,513 (Equivalent to Rs. 7,198.23 lakhs)

S. No.	Name of the Subsidiary	SRF Industries (Thailand) Limited#		SRF Industex Belting (Pty) Limited#	
		(subsidiary of SRF Global BV)		(subsidiary of SRF Global BV)	
		THB	Rs. Lakhs	Rand	Rs. Lakhs
(a)	Reporting Period	1 April 2019 to 31 March, 2020		1 April 2019 to 31 March, 2020	
(b)	Date since when subsidiary was acquired/formed	08.09.2008		13.06.2008	
(c)	Reporting Currency	THB	Rs. Lakhs	Rand	Rs. Lakhs
(d)	Exchange Rate	2.3		4.24	
(e)	Share Capital	100,000,300	2,300	13,320,202	565
(f)	Reserves and Surplus	1,225,250,311	28,181	(59,583,305)	(2,526)
(g)	Total Assets	4,322,593,759	99,420	14,949,839	634
(h)	Total Liabilities (external liabilities)	2,997,343,148	68,939	61,212,942	2,595
(i)	Investment	-	-	-	-
(j)	Turnover	2,583,123,395	59,412	7,973,770	338
(k)	Profit/(Loss) Before Taxation	(90,669,202)	(2,085)	(18,584,578)	(788)
(l)	Tax expense / (income)	(88,279,699)	(2,030)		-
(m)	Profit/(Loss) After Taxation	(2,389,503)	(55)		(18,584,578)
(n)	Proposed Dividend	-	-		-
(o)	% of shareholding	52.28%		52.28%	

S. No.	Name of the Subsidiary	SRF Europe Kft#		Shri Educare Maldives P Ltd#	
		(Subsidiary of SRF Global BV)		(Subsidiary of Shri Educare Ltd)	
		EURO	Rs. Lakhs	MVR	Rs. Lakhs
(a)	Reporting Period	1 April 2019 to 31 March, 2020		1 April 2019 to 31 March, 2020	
(b)	Date since when subsidiary was acquired/formed	25.04.2018		16.12.2009	
(c)	Reporting Currency	EURO	Rs. Lakhs	MVR	Rs. Lakhs
(d)	Exchange Rate	82.58		4.614375	
(e)	Share Capital	1,010,000	834	479	664
(f)	Reserves and Surplus	(691,208)	(571)	(297)	(482)
(g)	Total Assets	83,921,942	69,303	589	589
(h)	Total Liabilities(external liabilities)	83,603,150	69,039	407	407
(i)	Investment	-	-	-	-
(j)	Turnover	-	-	2,135	2,227
(k)	Profit/(Loss) Before Taxation	(519,079)	(429)	12	12
(l)	Tax expense / (income)	61	0	-	-
(m)	Profit/(Loss) After Taxation	(519,140)	(429)	12	12
(n)	Proposed Dividend	-	-	-	-
(o)	% of shareholding	52.28%		100%	

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

- (i) 1 USD = Rs. 75.56
- (ii) 1 Baht = Rs. 2.30
- (iii) 1 Rand = Rs. 4.24
- (iv) 1 Euro = Rs. 82.58
- (v) 1 MVR= Rs. 4.614375

## B Associates and Joint Ventures- N.A.

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

Ashish Bharat Ram  
**Director**  
(DIN: 00671567)  
Place: New Delhi

Kartik Bharat Ram  
**Chairman**  
(DIN:00008557)  
Place: New Delhi

Ekta Maheshwari  
**Whole Time Director**  
**CFO & Company Secretary**  
(DIN: 02071432)  
Place: Gurugram, Haryana

Amitav Virmani  
**Director**  
(DIN: 02169955)  
Place: New Delhi









**KAMA Holdings Limited**

**Registered Office**

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