



SRF GLOBAL B.V.

Amsterdam, The Netherlands

Financial Statements for the year ended 31st March 2022

Address of the Company	:	Keizersgracht 391 A, 1016EJ Amsterdam
Chamber of Commerce	:	Amsterdam
File number	:	343 149 45

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Balance sheet as at March 31, 2022*(After result appropriation)*

	<u>Notes</u>	<u>31-Mar-2022</u> USD	<u>31-Mar-2021</u> USD
Fixed assets			
Financial fixed assets			
Participations in group companies	3	12,266,780	9,310,824
Receivables from group companies	4	49,587,891	70,814,868
Total fixed assets		<u>61,854,671</u>	<u>80,125,692</u>
Current assets			
Other receivables	5	2,273,937	104
Receivables from group companies	6	15,712,512	6,559,013
Cash and cash equivalents	7	249,434	1,362,099
Total current assets		<u>18,235,883</u>	<u>7,921,216</u>
Short-term liabilities and accrued liabilities	8	33,826,787	47,688,053
Balance of current assets less short-term liabilities		<u>(15,590,904)</u>	<u>(39,766,837)</u>
Balance of assets less short-term liabilities		<u>46,263,767</u>	<u>40,358,855</u>
Long-term liabilities	9	52,202,000	45,950,000
Shareholders' equity	10		
Paid up share capital		14,311,409	15,115,870
Translation reserve		4,004,255	3,199,794
Other reserves		(24,253,897)	(23,906,809)
		<u>(5,938,233)</u>	<u>(5,591,145)</u>
		<u>46,263,767</u>	<u>40,358,855</u>

Profit and Loss account for the year 2021-22

	<u>Notes</u>	<u>2021-22</u> <u>USD</u>	<u>2020-21</u> <u>USD</u>
Finance income	11	1,165,592	1,380,681
Finance expense	12	(1,474,466)	(2,074,361)
Gross operating result		(308,874)	(693,680)
General and administrative costs	13	(38,212)	(34,020)
Total operating cost		(38,212)	(34,020)
Total operating result		(347,086)	(727,699)
Other income/ (expenses)	14	(2)	(1)
Result before taxation		(347,088)	(727,700)
Taxation		-	-
Result after taxation		(347,088)	(727,700)

Notes to the Financial Statements

1. General

SRF Global B.V. (the "Company") is a private limited liability company, incorporated on October 20, 2008 under the laws of The Netherlands and has its statutory seat in Amsterdam and its registered address at Keizersgracht 391 A, 1016EJ Amsterdam, The Netherlands.

1.1 Activities

In accordance with its articles of association, the principal activities of the Company are holding and financing activities.

1.2 The Financial Year

The financial year of the Company starts from 1st April and ends on 31st March.

1.3 Previous year

Previous year's figures have been reclassified, wherever necessary, in order to make them look comparable to current year's figures.

1.4 Group Structure

The Company is owned by SRF Limited, India.

1.5 Consolidation

In accordance with article 408, Book 2 of The Netherlands Civil Code the Company has not prepared consolidated accounts since the financial information, which would otherwise have been consolidated will be included in the consolidated accounts of its parent company, SRF Limited. Accordingly consolidated financials statements of SRF Limited for the year 2021-22, which includes the financial data of the Company and its directly or indirectly controlled subsidiaries, will be filed with the Chamber of Commerce.

1.6 Going concern

The accounting policies used in these financial statements are based on the expectation that the Company will be able to continue as a going concern.

The Company's ability to continue as a going concern is highly contingent on the willingness and the ability on the part of the group companies to continue the loans granted to them. The group companies have confirmed to continue the said loans. In addition, it is anticipated that sufficient cash will be available for the Company to settle its debts when they become due and to cover its operational expenses.

The Company acts as a holding company and values its investments at cost.

1.7 Changes in accounting policies

During the period under review the accounting policies have not changed.

1.8 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statements relating to the items in question.

2. General accounting principles for preparation of the financial statements

2.1 Accounting policies

The financial statements have been prepared in accordance with Title 9, Book 2, of the Netherlands Civil Code and in accordance with Generally Accepted Accounting Principles in the Netherlands. The financial statements are prepared under the historical cost convention and presented in USD, also the functional currency of the company. Assets and liabilities are valued at nominal value unless stated otherwise.

Notes to the Financial Statements (continued...)

2.2 Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Nature and details of these financial instruments and the principles regarding their measurement have been referenced per balance sheet item.

2.3 Translation of foreign currencies

The annual accounts are presented in USD.

All monetary assets and liabilities denominated in foreign currencies have been translated into US Dollars at the rate of exchange ruling at the balance sheet date whereas non-monetary assets expressed in currencies other than USD are translated at historical rates. All transactions denominated in foreign currencies are translated into US Dollars at the rate of transaction date. Foreign exchange gains and losses arising as a result of the application of the above accounting policies are disclosed separately in the profit and loss account.

The exchange rates used at balance sheet date were:

USD 1 = EUR 0.90082 (March 31, 2021: EUR 0.85288)

2.4 Financial fixed assets

(i) Participations in group companies

The company applies article 2:408 of the Netherlands Civil Code and makes use of the option to value its participations in group companies at cost, or lower market value.

Participations in group companies are minimally stated at zero unless the Company is fully or partially liable for the debts of the group companies, or has the firm intention to pay these debts. In that case, a provision is made.

(ii) Receivables from group companies

Loans and other receivables are recognized initially at fair value and subsequently measured at amortized cost. When a loan or receivable is considered uncollectible, it is written off against the allowance account for receivables.

(iii) Impairment of fixed assets

Assets with a long life are reviewed for any impairment in value in case of changes or circumstances arising which leads to an indication that the book value of the assets will not be recovered. The recoverability of assets in use is determined by comparing the book value of an asset with the estimated present value of the future net cash flows which the asset is expected to generate. If the book value of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the book value and the recoverable amount.

2.5 Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost. When a receivable is considered uncollectible, it is written off against the allowance account for receivables. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, remittance in transit and deposits, are stated at nominal value.

Notes to the Financial Statements (continued...)

2.7 Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are shown as appropriation of profits.

Equity share capital consist of ordinary shares.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest and expenditure with respect to these financial instruments are recognized in the profit and loss as financial expense.

2.8 Long-term liabilities

Long-term liabilities relate to loans with a term longer than one year. The part of the loans that is repaid in the coming financial year, has been included under the short-term liabilities. Long-term liabilities are stated after initial recognition at amortized cost.

2.90 Provisions

Provisions are created for liabilities which are deemed probable or certain at the balance sheet date, but which are still unknown as to the amount or timing of outflow of funds.

2.10 Current liabilities

The current liabilities relate to the liabilities with a duration shorter than or equivalent to one year. These liabilities are valued at nominal value unless stated otherwise.

2.11 Principles for the determination of the result

(i) General

Profits on transactions are recognised in the year in which they accrue. Losses are taken into account as soon as they are foreseeable.

(ii) Interest income and expenditure

Interest expense and income is recognised on a time-weighted basis, taking into account the effective interest rate of the assets and liabilities concerned. When recognising interest expense, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

(iii) Recognition of income and expenses

Income and expenses are accounted for on an accrual basis.

(iv) Share in result of associated companies

For participations valued at cost, the result on participating interests sold during the financial year are accounted for in the profit and loss as income or loss, as the case may be.

(v) Taxation

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax comprises the expected tax payable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. A provision for deferred tax liabilities is recognised for taxable temporary differences. For deductible temporary differences, unused loss carry forwards and unused tax credits, a deferred tax asset is recognised, but only if so far it is probable that taxable profits will be available in the future for offset or compensation.

Notes to the Financial Statements (continued...)

			<u>31-Mar-2022</u>	<u>31-Mar-2021</u>
			USD	USD
3. Participations in group companies				
Entity Name	Place of business	Share in capital	\$	\$
SRF Industex Belting (Pty) Ltd	Cato Ridge, South Africa	100%	0.01	0.01
SRF Industries (Thailand) Ltd	Rayong, Thailand	100%	9,286,354	6,330,398
SRF Nitol (Bangladesh) Ltd	Bangladesh	80%	-	-
SRF Flexipak (South Africa) (Pty) Ltd	Cato Ridge, South Africa	100%	13	13
SRF Europe Kft	Hungary	100%	2,980,413	2,980,413
			<u>12,266,780</u>	<u>9,310,824</u>

The movement in SRF Industex Belting (Pty) Ltd are as follows:

Participation in SRF Industex Belting (Pty) Ltd	2,012,889	2,012,889
Provision for the loss on investments	(2,012,889)	(2,012,889)
	<u>0.01</u>	<u>0.01</u>

Due to change in the operations of SRF Industex Belting Proprietary Limited, provision of USD 2,012,889 has been created. Accordingly, participation interest in SRF Industex Belting (Pty) Ltd has been reduced to USD 0.01. This provision will be maintained until such time when it is clear how the future activities will develop.

During the year, the Company has invested USD 2,955,956 in SRF Industries (Thailand) Ltd.

On 30 September 2020, the management of the Company has decided to write off the participation interest made in the subsidiary i.e. SRF Nitol Bangladesh limited as the subsidiary is non-operational and will be dissolved in near future.

4. Receivables from group companies

i) SRF Industex Belting (Pty) Ltd	2,500,000	3,275,000
ii) SRF Industries (Thailand) Ltd	14,952,604	21,578,560
iii) SRF Flexipak (South Africa) (Pty) Ltd	-	10,495,351
iv) SRF Europe Kft	32,135,287	35,465,957
	<u>49,587,891</u>	<u>70,814,868</u>

The movements in receivables are as follows:

i) SRF Industex Belting (Pty) Ltd		
Value as of 1 st April	3,275,000	2,475,000
Additions during the year	2,500,000	800,000
	<u>5,775,000</u>	<u>3,275,000</u>
Repayments during the year	-	-
Amount receivables within one year	(3,275,000)	-
Value as of 31 st March	<u>2,500,000</u>	<u>3,275,000</u>

The loan-term is one year and every year this will be extended with one year. No security has been provided and no interest has been charged on the said loan. During the year, USD 3,275,000 has been reclassified as short-term as the said amount will be received within a year.

During the year, the Company has provided an additional loan of USD 2,500,000 to SRF Industex Belting (Pty) Limited.

Notes to the Financial Statements (continued...)

	<u>31-Mar-2022</u>	<u>31-Mar-2021</u>
	USD	USD
ii) SRF Industries (Thailand) Ltd		
Value as of 1st April	21,578,560	21,578,560
Additions during the year	74,044	-
	<u>21,652,604</u>	<u>21,578,560</u>
Repayments during the year	(6,700,000)	-
Value as of 31st March	<u>14,952,604</u>	<u>21,578,560</u>

The receivable from SRF Industries (Thailand) Ltd consists of two loan agreements:

The principal amount of USD 13,074,044 is related to the first loan agreement. The loan-term is one year and every year this will be extended with one year. No security has been provided.

The principal amount of the second loan agreement amounts to USD 1,878,560. Maturity date will be mutually agreed. No security has been provided.

iii) SRF Flexipak (South Africa) (Pty) Ltd

Value as of 1st April	10,495,351	16,495,351
Additions during the year	-	-
	<u>10,495,351</u>	<u>16,495,351</u>
Repayments during the year	(5,500,000)	(6,000,000)
Amount receivables within one year	(4,995,351)	-
Value as of 31st March	<u>-</u>	<u>10,495,351</u>

As per the amended loan agreement dated July 23, 2015 the maximum facility of the loan amounts to USD 25,000,000 from 1 April 2015. No interest will be charged on the loan facility with effects from 1st April, 2015. Maturity date will be mutually agreed. No security has been provided. During the year USD 5,500,000 has been repaid.

During the year, USD 4,995,351 has been reclassified as short-term as the said amount will be received within a year.

iv) SRF Europe Kft

Value as of 1st April	35,465,957	32,183,859
Additions during the year	-	5,927,570
	<u>35,465,957</u>	<u>38,111,429</u>
Repayments during the year	(1,544,920)	(4,490,663)
Contribution in equity	-	(1,013,200)
Exchange fluctuation	(1,785,750)	2,858,391
Value as of 31st March	<u>32,135,287</u>	<u>35,465,957</u>

In the year 2018-19, the Company entered into a loan agreement of EUR 10,000,000 with SRF Europe Kft. In the year 2019-20, the loan amount has been increased to Euro 51,000,000 as per the amendment to loan agreement dated 4th September, 2018.

During the year, a partial repayment of the loan amounting to EUR 1,300,000 (equivalent to USD 1,544,920) was made.

Notes to the Financial Statements (continued...)

	<u>31-Mar-2022</u>	<u>31-Mar-2021</u>
	USD	USD
5. Other receivables		
Advance to supplier	2,273,200	-
Prepaid expenses	737	-
VAT receivables	-	104
	<u>2,273,937</u>	<u>104</u>
6. Receivables from group companies		
Interest receivable from SRF Industries (Thailand) Ltd	5,688,297	5,217,448
Interest receivable from SRF Europe Kft	1,753,864	1,151,064
Prepaid expenses for SRF Flexipak (South Africa) (Pty) Ltd	-	190,501
Receivables from SRF Industex Belting (Pty) Ltd	3,275,000	-
Receivables from SRF Flexipak (South Africa) (Pty) Ltd	4,995,351	-
	<u>15,712,512</u>	<u>6,559,013</u>
7. Cash and cash equivalents		
CITI Bank	249,434	1,362,099
	<u>249,434</u>	<u>1,362,099</u>
8. Short-term liabilities and accrued liabilities		
i) Loan from credit institutions		
<u><i>Citi Bank Ltd</i></u>		
Value as of 1st April	10,001,425	8,450,080
Additions during the year	15,315,200	9,111,570
	25,316,625	17,561,650
Repayment during the year	(13,774,920)	(8,708,521)
Exchange fluctuation	(495,482)	1,148,296
Value as of 31st March	<u>11,046,223</u>	<u>10,001,425</u>

The Company has taken uncommitted credit facility from Citi bank to support funding requirement in operating subsidiaries. The credit facility is repayable on demand and has no maturity date. During the year, the Company has taken EUR 2,000,000 (equivalent to USD 2,285,200) and USD 13,030,000 loan facility from CITI bank. Subsequently, the loan amount has been increased by EUR 10,530,000 (equivalent to USD 12,286,625) and USD 13,030,000 out of which EUR 1,300,000 (equivalent to USD 1,544,920) and USD 12,230,000 has been repaid.

Notes to the Financial Statements (continued...)

	<u>31-Mar-2022</u> USD	<u>31-Mar-2021</u> USD
ii) Loans from related parties		
<u>SRF Limited, India</u>		
Value as of 1 st April	37,500,000	-
Reclassification as short-term	22,500,000	37,500,000
	<u>60,000,000</u>	<u>37,500,000</u>
Repayment during the year	(37,500,000)	-
Exchange fluctuation	-	-
Value as of 31st March	<u>22,500,000</u>	<u>37,500,000</u>
<p>The loan of USD 7,500,000 and USD 30,000,000 has been paid on 24 December 2021 and 23 March 2022 respectively.</p>		
iii) Interest payable to credit institutions		
Interest MUFG Bank Ltd	-	63,816
Interest CITI Bank - USD	96	-
Interest CITI Bank - EUR	726	9,724
	<u>822</u>	<u>73,540</u>
iv) Interest payable to shareholder		
Interest SRF Limited - USD	208,708	40,729
Interest SRF Limited - EUR	61,056	12,181
	<u>269,764</u>	<u>52,910</u>
v) Accounts payable		
SRF Limited, India	9,386	55,516
	<u>9,386</u>	<u>55,516</u>
vi) Other current liabilities		
Accrued liabilities	-	4,662
VAT payable	592	-
	<u>592</u>	<u>4,662</u>
Total Short-term liabilities and Accrued liabilities	<u>33,826,787</u>	<u>47,688,053</u>

Notes to the Financial Statements (continued...)

	31-Mar-2022	31-Mar-2021
	USD	USD
9. Long term liabilities		
Loans from related parties	52,202,000	45,950,000
	52,202,000	45,950,000
i) Loans from related parties		
1st loan payable to SRF Limited, India	-	22,500,000
2nd loan payable to SRF Limited, India	22,202,000	23,450,000
3rd loan payable to SRF Limited, India	30,000,000	-
	52,202,000	45,950,000

The movement in financings are as follows:

1st loan payable to SRF Limited, India

Value as of 1st April	22,500,000	-
Additions during the year	-	60,000,000
Repayment during the year	-	-
	22,500,000	60,000,000
Less: Amount payable within one year	(22,500,000)	(37,500,000)
Value as of 31st March	-	22,500,000

On 15 March 2021, the Company entered into an intragroup loan agreement of USD 60,000,000 with SRF Limited, India (the 'Shareholder'). Out of which USD 37,500,000 have been repaid during the financial year 2021-22 and balance of USD 22,500,000 have been classified as short term.

2nd loan payable to SRF Limited, India

Value as of 1st April	23,450,000	-
Additions during the year	-	23,852,000
Repayment during the year	-	-
	23,450,000	23,852,000
Less: Amount payable within one year	-	-
Exchange fluctuation	(1,248,000)	(402,000)
Value as of 31st March	22,202,000	23,450,000

On 15 March 2021, the Company entered into an intragroup loan agreement of EUR 20,000,000 with SRF Limited, India (the 'Shareholder').

3rd loan payable to SRF Limited, India

Value as of 1st April	-	-
Additions during the year	30,000,000	-
Repayment during the year	-	-
	30,000,000	-
Less: Amount payable within one year	-	-
Value as of 31st March	30,000,000	-

On 17 March 2022, the Company entered into an intragroup loan agreement of USD 30,000,000 with SRF Limited, India (the 'Shareholder'). The loan shall be repaid in March 2025.

Notes to the Financial Statements (continued...)

	<u>31-Mar-2022</u>	<u>31-Mar-2021</u>
	<u>USD</u>	<u>USD</u>
10. Shareholder's equity		
Movement during the year can be summarised as follows:		
<u>Paid up share capital</u>		
Balance as of 1 st April	15,115,870	14,124,475
Translation adjustment	(804,461)	991,395
Balance as of 31 st March	<u>14,311,409</u>	<u>15,115,870</u>
<u>Translation Reserve</u>		
Balance as of 1 st April	3,199,794	4,191,189
Translation adjustment	804,461	(991,395)
Balance as of 31 st March	<u>4,004,255</u>	<u>3,199,794</u>
<u>Other reserves</u>		
Balance as of 1 st April	(23,906,809)	(23,179,109)
Result for the period	(347,088)	(727,700)
Balance as of 31 st March	<u>(24,253,897)</u>	<u>(23,906,809)</u>
Total shareholders equity as at 31st March	<u>(5,938,233)</u>	<u>(5,591,145)</u>

The authorised share capital amounts to EUR 20,180,000 divided into 201,800 ordinary shares with a nominal value of EUR 100 each.

The issued and paid-up capital amounts to EUR 12,892,000 divided into 128,920 shares with a nominal value of EUR 100 each.

Proposed appropriation of result for the financial year 31st March 2022

The board of directors proposes to the general meeting of shareholders that the result for the financial year 31 March 2022 amounting to USD 347,088 (loss) should be transferred to reserves.

Notes to the Financial Statements (continued...)

	<u>2021-22</u>	<u>2020-21</u>
	USD	USD
11. Finance income		
Interest income SRF Industries (Thailand) Ltd	470,849	513,551
Interest income SRF Europe Kft	694,743	656,259
Foreign exchange result	-	210,871
	<u>1,165,592</u>	<u>1,380,681</u>
12. Finance expenses		
i) Interest expenses:		
Interest expenses DBS Bank Ltd	-	(655,897)
Interest expenses CITI Bank Ltd	(115,823)	(201,903)
Interest expenses MUFG Bank Ltd	(55,764)	(236,473)
Interest expenses SMBC Loan	-	(477,719)
Interest expenses SRF Limited India	(1,123,751)	(52,910)
	<u>(1,295,338)</u>	<u>(1,624,901)</u>
ii) Other Similar expenses:		
Guarantee fees	(28,403)	(243,109)
Foreign exchange result	(149,521)	-
Bank charges	(1,204)	(1,058)
Upfront fee	-	(205,292)
	<u>(179,128)</u>	<u>(449,459)</u>
Total finance expenses	<u>(1,474,466)</u>	<u>(2,074,361)</u>
13. General and administrative costs		
Audit fees	(336)	(427)
Tax advisory fees	-	1,902
Management and domiciliation fees	(27,268)	(25,509)
Legal and notary fees	-	(146)
Director's fee	(3,567)	(3,417)
Rent expense	(783)	(761)
VAT expenses	(6,258)	(5,009)
Fines and penalties	-	(512)
Miscellaneous expenses	-	(141)
	<u>(38,212)</u>	<u>(34,020)</u>
14. Other income/ (expenses)		
Amount written off	-	(1)
Rounding off	(2)	-
	<u>(2)</u>	<u>(1)</u>

Notes to the Financial Statements (continued...)

15. Directors

The Company have two directors during the financial year 2021-22 (previous year: two), one of them receives sitting fees.

16. Staff members

During the financial year 2021-22, there were no employees in the Company (previous year: nil).

17. Subsequent events

No events, which may substantially effect the financial position of the Company and which are relevant to announce in the annual accounts have occurred after balance sheet date.

Signed on, *06th May*2022



Ritesh Kumar
Managing Director (A)



Sanjeev Bedi
Managing Director (B)

Other information

Profit appropriation according to the Articles of Association

Based on the Company's articles of association, the result of the Company is at disposal of the general meeting of shareholders.