

SRF Altech Limited

**Statutory Audit for the year ended
31 March 2023**

B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase - II,
Gurugram - 122 002, India
Tel: +91 124 719 1000
Fax: +91 124 235 8613

Independent Auditor's Report

To the Members of SRF Altech Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SRF Altech Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period beginning from 15 March 2022 to 31 March 2023 ("the period"), and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

Other Information

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

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

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

JA

Independent Auditor's Report (Continued)

SRF Altech Limited

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report (Continued)

SRF Altech Limited

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Continued)

SRF Altech Limited

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the period.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the period. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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



Amit Jain

Partner

Membership No.: 516455

ICAI UDIN: 23516455BGYRJD7527

Place: Gurugram

Date: 06 May 2023

Annexure A to the Independent Auditor's Report on the Financial Statements of SRF Altech Limited for the period ended 31 March 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no intangible asset held by the Company. Accordingly, paragraph 3(i)(a)(B) of the Order is not applicable to the Company.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, all the property, plant and equipment were verified during the period. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the period, the Company does not have any intangible asset.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, during the current period, the Company did not hold any inventories. Therefore, the provision of paragraph 3(ii)(a) of the order are not applicable
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the period. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the period. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the period since effective 1 July 2017, these statutory dues has been subsumed into GST.

Annexure A to the Independent Auditor's Report on the Financial Statements of SRF Altech Limited for the period ended 31 March 2023 (Continued)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and based on our examination of the financial statements of the Company, the Company has raised a long term loan from a bank, and another loan from its holding company which is repayable on demand. Though the loan from the bank has been accounted for as short term due to certain terms of the agreement (refer note 14 to the financial statements), it has been raised on a long term basis. As per the terms of the agreement, this loan was to be utilised for capital purposes, which has been so utilised. Considering the above, we report that the funds considered as short term (including funds repayable on demand) amounting to Rs 26,496.03 lakh, as explained above, have been utilized for long term purposes.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the period ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the period ended 31 March 2023. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section

Annexure A to the Independent Auditor's Report on the Financial Statements of SRF Altech Limited for the period ended 31 March 2023 (Continued)

143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the period.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.
- (xvii) The Company has incurred cash losses of Rs 408.71 lakhs in the current period.
- (xviii) There has been resignation of the statutory auditor during the period. However, no issues, objections or concerns were raised by the outgoing auditor.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of SRF Altech Limited for the period ended 31 March 2023 (Continued)

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

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

Chartered Accountants

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



Amit Jain

Partner

Place: Gurugram

Date: 06 May 2023

Membership No.: 516455

ICAI UDIN: 23516455BGYRJD7527

Annexure B to the Independent Auditor's Report on the financial statements of SRF Altech Limited for the period ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of SRF Altech Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide

Annexure B to the Independent Auditor's Report on the financial statements of SRF Altech Limited for the period ended 31 March 2023 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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



Amit Jain

Partner

Place: Gurugram

Date: 06 May 2023

Membership No.: 516455

ICAI UDIN: 23516455BGYRJD7527

SRF ALTECH LIMITED**BALANCE SHEET**

As at March 31, 2023

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

Particulars	Note No.	As at March 31, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	4	25.34
Right-of-use assets	7	2,833.82
Capital work-in-progress	5	16,114.97
Financial assets		
(i) Loans	6	9.51
(ii) Other financial assets	9	290.50
Deferred tax assets (net)	8	70.94
Other non-current assets	10	7,951.59
Total non-current assets		27,296.67
Current assets		
Financial assets		
(i) Cash and cash equivalents	11	163.45
(ii) Loans	6	3.51
(iii) Other financial assets	9	12.43
Current tax assets (net)	17	22.79
Other current assets	10	1,002.79
Total current assets		1,204.97
TOTAL ASSETS		28,501.64
EQUITY AND LIABILITIES		
Equity		
Equity share capital	12	500.00
Other equity	13	(368.71)
Total equity		131.29
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Lease liabilities	7	104.04
Provisions	19	31.48
Other non-current liabilities	18	546.20
Total non-current liabilities		681.72



SRF ALTECH LIMITED**BALANCE SHEET**

As at March 31, 2023

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

Particulars	Note No.	As at March 31, 2023
Current liabilities		
Financial liabilities		
(i) Borrowings	14	26,496.03
(ii) Trade payables	15	
a) Total outstanding dues of micro enterprises and small enterprises		-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		26.02
(iii) Other financial liabilities	16	1,138.81
Other current liabilities	18	25.43
Provisions	19	2.34
Total current liabilities		27,688.63
Total Liabilities		28,370.35
TOTAL EQUITY AND LIABILITIES		28,501.64

Summary of significant accounting policies

1-3

See accompanying Notes to the financial statements

4 to 33

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm registration no: 101248W/W-100022

For and on behalf of the Board of Directors

Amit Jain

Partner

Ashish Bharat Ram

Director

Kartik Bharat Ram

Director

Membership No: 516455

Place : Gurugram

Date : May 06, 2023

DIN - 00671567

Place : Gurugram

Date : May 06, 2023

DIN - 00008557

Place : Gurugram

Date : May 06, 2023



SRF ALTECH LIMITED
STATEMENT OF PROFIT AND LOSS
for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note No.	Period ended March 31, 2023 (Refer Note 2.1)
I Revenue from operations		-
II Other income	20	93.43
III Total Income (I+II)		93.43
IV Expenses		
Employee benefits expense	21	23.93
Finance costs	22	193.10
Depreciation and amortisation expense	23	29.60
Other expenses	24	285.11
Total Expenses (IV)		531.74
V Loss before tax (III - IV)		(438.31)
VI Tax expense	25	
Current tax		-
Deferred tax		(70.71)
Total tax expense		(70.71)
VII Loss for the period (V - VI)		(367.60)
VIII Other comprehensive loss		
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans		(1.34)
(ii) Income tax on item (i) above	26	0.23
Total other comprehensive loss for the period, net of taxes		(1.11)
IX Total comprehensive loss for the period (VII + VIII)		(368.71)
Basic and Diluted loss per equity share (in Rs.)	31	(7.35)

Summary of significant accounting policies

1-3

See accompanying Notes to the financial statements

4 to 33

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration no: 101248W/W-100022

Amit Jain

Amit Jain
Partner



Membership No: 516455

Place : Gurugram

Date : May 06, 2023

For and on behalf of the Board of Directors

Ashish Bharat Ram

Ashish Bharat Ram
Director

DIN - 00671567

Place : Gurugram

Date : May 06, 2023

Kartik Bharat Ram

Kartik Bharat Ram
Director

DIN - 00008557

Place : Gurugram

Date : May 06, 2023

Statuk

SRF ALTECH LIMITED
CASH FLOW STATEMENT
for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Period ended March 31, 2023 (Refer Note 2.1)
A CASH FLOW FROM OPERATING ACTIVITIES	
Loss before tax	(438.31)
Adjustments for:	
Finance costs	193.10
Interest income	(93.43)
Depreciation and amortisation expense	29.60
Loss on remeasurements of the defined benefit plans	(1.34)
Adjustments for increase in operating assets :-	
Loans (current)	(3.51)
Loans (non-current)	(9.51)
Other assets (current)	(1,012.35)
Adjustments for increase in operating liabilities :-	
Provisions	33.82
Other liabilities (current)	51.45
Cash used in operations	(1,250.48)
Income taxes paid	(22.79)
Net cash used in operating activities	(1,273.27)
B CASH FLOW FROM INVESTING ACTIVITIES	
Interest received	90.56
Bank balances not considered as cash and cash equivalents	(290.50)
Payment for purchase of property, plant and equipment and capital work-in-progress	(24,427.99)
Net cash used in investing activities	(24,627.93)
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	500.00
Proceeds from external borrowings	21,000.00
Proceeds from borrowing taken from holding company	27,815.87
Repayment towards borrowing taken from holding company	(22,319.84)
Payment towards lease liability	(7.26)
Finance costs paid	(924.12)
Net cash generated from financing activities	26,064.65
Net movement in cash and cash equivalents	163.45
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period (Refer note 11)	163.45

Notes:

- (i) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows"
- (ii) The following table discloses changes in liabilities arising from historical activities including both cash and non cash changes.



h

SRF ALTECH LIMITED
CASH FLOW STATEMENT
for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

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

* including amount capitalised

refer note no. 14

Summary of significant accounting policies

1-3

See accompanying Notes to the financial statements

4 to 33

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration no: 101248W/W-100022

For and on behalf of the Board of Directors

Amit Jain

Amit Jain

Partner

Membership No: 516455

Place : Gurugram

Date : May 06, 2023

Ashish Bharat Ram

Ashish Bharat Ram

Director

DIN - 00671567

Place : Gurugram

Date : May 06, 2023

Kartik Bharat Ram

Kartik Bharat Ram

Director

DIN - 00008557

Place : Gurugram

Date : May 06, 2023



Kartik

SRF ALTECH LIMITED
STATEMENT OF CHANGES IN EQUITY
for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

(a) Equity share capital

	Amount
Balance as at March 15, 2022	-
Changes in equity share capital during the period	500.00
Balance as at March 31, 2023	500.00

(b) Other Equity

	Reserves and Surplus	Items of other comprehensive income	Total
	Retained earnings	Remeasurements of the defined benefit plans	
Balance as at March 15, 2022	-	-	-
Loss for the period	(367.60)	-	(367.60)
Other comprehensive loss for the period, net of income tax	-	(1.11)	(1.11)
Total comprehensive loss for the period	(367.60)	(1.11)	(368.71)
Balance as at March 31, 2023	(367.60)	(1.11)	(368.71)

Summary of significant accounting policies

1-3

See accompanying Notes to the financial statements

4 to 33

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration no: 101248W/W-100022

Amit Jain

Amit Jain

Partner

Membership No: 516455

Place : Gurugram

Date : May 06, 2023



For and on behalf of the Board of Directors

Ashish Bharat Ram

Ashish Bharat Ram

Director

DIN - 00671567

Place : Gurugram

Date : May 06, 2023

Kartik Bharat Ram

Kartik Bharat Ram

Director

DIN - 00008557

Place : Gurugram

Date : May 06, 2023



Kartik

SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

1 CORPORATE INFORMATION

SRF Altech Limited ("the Company") is a limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is situated at The Galleria, DLF Mayur Vihar, Unit No. 236 and 237, Second Floor, Mayur Vihar Place, Noida Link Road, Mayur Vihar Phase I Extn, Delhi - 110091. The Company's parent company is SRF Limited.

The principal activities of the Company are manufacturing, purchase and sale of aluminium foils.

The financial statements are authorised for issue in accordance with a resolution of the directors on May 06, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

The functional currency of the Company is 'INR'. The financial statements are presented in INR and all values are rounded to the nearest Lakhs, except when otherwise indicated. The company is incorporated on 15 March 2022 and in concurrence with Section 2(41) of the Companies Act 2013, the reporting period has been considered from 15 March 2022 to 31 March 2023, herein after referred as "the period".

2.2 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

2.3 Property, plant and equipment (PPE)

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

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

Cost of acquisition or construction is inclusive of freight, duties, non recoverable taxes, incidental expenses and interest on 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, up to the date of commissioning of the assets. Excess of net sale proceeds of items produced over the cost of testing, if any, are not recognised in the profit or loss but deducted from the directly attributable costs of property, plant, and equipment.

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

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

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

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

2.4 Depreciation

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

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

	Management's estimate of useful life
Office Equipments	4 years

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 statement of profit and loss when the asset is derecognised.

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



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

2.5 Leasing

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

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

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

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

Company as lessee

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company'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 company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

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



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

Short-term leases and leases of low-value assets

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

2.6 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 incurred for the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

In case of a specific borrowing taken for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised shall be the actual borrowing costs incurred during the period.

In case funds are borrowed generally and such funds are used for the purpose of acquisition, construction or production of a qualifying asset, the borrowing costs capitalised are calculated by applying the weighted average capitalisation rate on general borrowings outstanding during the period, to the expenditures incurred on the qualifying asset.

If any specific borrowing remains outstanding after the related asset is ready for its intended use, that borrowing is considered part of the funds that are borrowed generally for calculating the capitalisation rate.

2.7 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.

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.

2.8 Provisions and contingent liabilities

Provisions

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

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

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

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



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

Contingent liabilities

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

2.9 Revenue Recognition

Interest income

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

2.10 Taxation

Income tax expense represents the sum of the current tax 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 assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

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

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.

2.11 Employee benefits

Short term employee benefits

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered are measured at the undiscounted amount expected to be paid.



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

Defined contribution plans

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

Defined benefit plans

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

Provisions 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 is 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.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.13 Financial instruments

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

A) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

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.

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. Any gain or loss on derecognition is recognised in profit or loss.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

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 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.



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

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.

2.14 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

These 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.

2.15 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:

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

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

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

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

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

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.17 Segment reporting

The Company has not started its operations and hence not required to disclose Segment Information as per Ind AS 108 on Operating Segments.

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

For other assets, 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.



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

2.19 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

- Classification and lease term determination of leasing arrangement (Note 2.5)
- Fair value measurement of derivative instruments (Note 2.15)
- Assessment of useful life of property, plant and equipment (Note 2.4)
- Recognition and estimation of tax expense including determination of applicable tax rate for measuring deferred tax balances (Note 2.10)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) (Note 2.11)
- Assessment of impairment of financial assets (Note 2.13) and non-financial assets (Note 2.18)
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Note 2.8)



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Office equipments	Total
Cost		
Balance as at March 15, 2022	-	-
Additions / adjustments	27.70	27.70
Balance as at March 31, 2023	27.70	27.70
Accumulated depreciation		
Balance as at March 15, 2022	-	-
Depreciation expense	2.36	2.36
Balance as at March 31, 2023	2.36	2.36
Particulars	Office equipments	Total
Net block		
Balance as at March 15, 2022	-	-
Balance as at March 31, 2023	25.34	25.34

5 CAPITAL WORK-IN-PROGRESS (CWIP)

	As at March 31, 2023
Opening balance	-
Additions during the period	16,114.97
Less : Amount capitalised during the period	-
Closing balance	16,114.97

Ageing of capital work-in-progress :

Projects in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2023*	16,114.97	-	-	-	16,114.97
As at March 15, 2022	-	-	-	-	-

*CWIP includes capital goods in transit of Rs. 2,827.63 lakhs.

6 LOANS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023
Non- current	
Loans to employees	9.51
	9.51
Current	
Loans to employees	3.51
	3.51



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

7 RIGHT-OF-USE ASSETS

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

Right-of-use assets	Land	Total
Cost		
Balance as at March 15, 2022	-	-
Additions	2,861.06	2,861.06
Disposals	-	-
Balance as at March 31, 2023	2,861.06	2,861.06
Accumulated depreciation		
Balance as at March 15, 2022	-	-
Depreciation expenses	27.24	27.24
Disposals	-	-
Balance as at March 31, 2023	27.24	27.24
Net block		
Balance as at March 15, 2022	-	-
Balance as at March 31, 2023	2,833.82	2,833.82

Lease liabilities included in the Balance Sheet

As at
March 31, 2023

Current	-
Non-current	104.04

The average incremental borrowing rate applied to lease liabilities during the period is 7.50%.

Amounts recognised in Statement of Profit and Loss

Period ended
March 31, 2023

Interest on lease liabilities	7.26
Depreciation expense	27.24

Period ended
March 31, 2023

Amounts recognised in Cash Flow Statement

Total cash outflow for leases	(7.26)
-------------------------------	--------



SRF ALTECH LIMITED**Notes to the financial statements for the period ended March 31, 2023****(All amounts in Rs. Lakhs, unless otherwise stated)****8 DEFERRED TAX (NET)**

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

	As at March 31, 2023
Deferred tax assets	70.94
Deferred tax liabilities	-
Deferred tax assets (net)	70.94

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

Particulars	Opening balance as at March 15, 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance as at March 31, 2023
Deferred tax assets				
Expenses deductible in future years	-	47.31	-	47.31
Business Losses	-	23.40	0.23	23.63
Total	-	70.71	0.23	70.94

9 OTHER FINANCIAL ASSETS

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023
Non-Current	
Deposit accounts with maturity beyond twelve months	
- Earmarked balances (margin money)*	290.50
	290.50
* against issuance of bank guarantees	
Current	
- Forward exchange contracts	9.38
- Security deposits	
Other than related parties	0.18
- Others	2.87
	12.43



SRF ALTECH LIMITED**Notes to the financial statements for the period ended March 31, 2023****(All amounts in Rs. Lakhs, unless otherwise stated)****10 OTHER ASSETS**

(unsecured and considered good, unless otherwise stated)

	As at March 31, 2023
Non-Current	
Capital advances	7,951.59
Total other non-current assets	7,951.59
Current	
Goods and Services tax recoverable	977.50
Advance to suppliers	0.45
Others*	24.84
Total other current assets	1,002.79

* includes Rs. 23.74 lakhs pertaining to related party (refer note no. 29.3)

11 CASH AND CASH EQUIVALENTS

	As at March 31, 2023
Balances with Banks	
- Current accounts	162.95
Cash on hand	0.50
	163.45

12 SHARE CAPITAL

	As at March 31, 2023
Authorised share capital:	
100,00,00,000 Equity shares of Rs. 10 each	1,00,000.00
	1,00,000.00
Issued capital:	
50,00,000 Equity Shares of Rs. 10 each	500.00
	500.00
Subscribed capital:	
50,00,000 Equity Shares of Rs. 10 each fully paid up	500.00
	500.00



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

12.1 Fully paid equity shares

	<u>Number of shares</u>	<u>Amount</u>
Balance as at March 15, 2022	-	-
Add : Movement during the period	50,00,000	500.00
Balance as at March 31, 2023	<u>50,00,000</u>	<u>500.00</u>

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.

12.2 Details of equity shares held by the holding Company

	<u>Number of fully paid ordinary shares</u>
As at March 31, 2023	
SRF Limited, the Holding Company	49,99,993
As at March 15, 2022	
SRF Limited, the Holding Company	-

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

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

12.4 Details of equity shares held by Promoters

Name of Promoter	<u>Number of fully paid equity shares held</u>	<u>% holding in that class of shares</u>	<u>% change during the period</u>
As at March 31, 2023			
SRF Limited	49,99,993	99.99%	100%
As at March 15, 2022			
SRF Limited	-	0.00%	0%

13 OTHER EQUITY

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

13.1 Retained earnings

	<u>As at March 31, 2023</u>
Balance at beginning of the period	-
Loss for the period	(367.60)
Other comprehensive loss arising from remeasurement of defined benefit obligation	(1.11)
Balance at end of period	<u>(368.71)</u>



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

14 BORROWINGS

	As at March 31, 2023
Current	
Unsecured	
Loan from related parties (refer note 29)	5,496.03
Secured	
Term Loans from banks (refer note (i) and (ii) below)	21,000.00
	26,496.03

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

14.1 Details of security of the secured loans:

Details of Loan	As at March 31, 2023	As at March 15, 2022	Security
			Moveable property
Term loan from Banks	21,000.00	-	Term loan is secured by first pari-passu charge over all movable fixed assets, present and future.

15 TRADE PAYABLES

	As at March 31, 2023
a) Total outstanding dues of micro enterprises and small enterprises*	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	26.02
	26.02

* Refer note 16.1

Ageing of Trade payables :

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



Handwritten signature

SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

16 OTHER FINANCIAL LIABILITIES

	<u>As at</u> <u>March 31, 2023</u>
Current	
Interest accrued but not due on borrowings	114.98
Payables to capital creditors	
- Total outstanding dues of micro enterprises and small enterprises	60.61
- Total outstanding dues of creditors other than micro enterprises and small enterprises	963.22
	<u>1,138.81</u>

16.1 Total outstanding dues of micro enterprises and small enterprises

Other financial liabilities 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.

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

17 TAX ASSETS AND LIABILITIES

	<u>As at</u> <u>March 31, 2023</u>
Current tax assets	
Advance tax	22.79
	<u>22.79</u>



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

18 OTHER LIABILITIES

	<u>As at</u> <u>March 31, 2023</u>
Non-current	
Deferred government grants*	546.20
	<u>546.20</u>
Current	
Statutory liabilities	25.43
	<u>25.43</u>

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

19 PROVISIONS

	<u>As at</u> <u>March 31, 2023</u>
Non-Current	
Provision for employee benefits	
Provision for compensated absence	14.82
Provision for gratuity	16.66
	<u>31.48</u>
Current	
Provision for employee benefits	
Provision for compensated absence	1.33
Provision for gratuity	1.01
	<u>2.34</u>

20 OTHER INCOME

	<u>Period ended</u> <u>March 31, 2023</u>
Interest income	
- on loans and deposits	93.43
	<u>93.43</u>

21 EMPLOYEE BENEFITS EXPENSE

	<u>Period ended</u> <u>March 31, 2023</u>
Salaries and wages, including bonus	23.19
Contribution to provident and other funds	0.74
	<u>23.93</u>



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

22 FINANCE COST

	Period ended March 31, 2023
Interest cost	
- Term loans	185.84
- Lease liabilities	7.26
	193.10

23 DEPRECIATION AND AMORTISATION EXPENSE

	Period ended March 31, 2023
Depreciation of property, plant and equipment	2.36
Amortisation of Right of use assets	27.24
	29.60

24 OTHER EXPENSES

	Period ended March 31, 2023
Legal and professional charges	2.10
Rates and taxes	275.01
Auditor remuneration	
- Audit Fees	7.50
- Reimbursement of out of pocket expenses	0.50
	285.11

25 INCOME TAX RECOGNISED IN PROFIT AND LOSS

	Period ended March 31, 2023
Tax expense	(70.71)
	(70.71)
Current tax	
In relation to reporting period	-
	-
Deferred tax	
In relation to reporting period	(70.71)
	(70.71)



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023

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

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

	<u>Period ended March 31, 2023</u>
Loss before tax	(438.31)
Income Tax Expenses @ 17.16%	(75.21)
Effect of expenses that are not deductible in determining taxable profits	4.50
Income tax expenses recognised in profit and loss in relation to current period	<u>(70.71)</u>

Notes:

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

26 INCOME TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

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

27 CONTINGENT LIABILITIES

	<u>As at March 31, 2023</u>
Contingent Liabilities	Nil

28 CAPITAL AND OTHER COMMITMENTS

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 21,243.30 Lakhs.

(ii) Export obligation under export promotion capital goods (EPCG) scheme on import of capital items remaining outstanding is Rs. 10,989.64 Lakhs.

29 RELATED PARTY TRANSACTIONS

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

Ultimate Holding Entity	Holding Company	Key management personnel (KMP)
ABR Family Trust	SRF Limited	Ashish Bharat Ram Kartik Bharat Ram Prashant Mehra Hari Kishore Singh



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

29.2 Transactions with related parties

	Period ended March 31, 2023
Issue of share capital to Holding Company	<u>500.00</u> 500.00
Purchase of property, plant & equipment from Holding Company	<u>168.31</u> 168.31
Borrowings received from Holding Company	<u>27,815.87</u> 27,815.87
Borrowings repaid to Holding Company	<u>22,319.84</u> 22,319.84
Interest expense paid to (including amount capitalised) Holding Company	<u>419.85</u> 419.85
Reimbursement of expenses from Holding Company	<u>0.51</u> 0.51
Contribution to post employment benefit plans paid to Holding Company	<u>23.74</u> 23.74

29.3 Outstanding Balances

	As at March 31, 2023
Receivable Holding Company	<u>23.74</u> 23.74
Payable Holding Company	<u>15.06</u> 15.06
Interest Outstanding Holding Company	<u>110.35</u> 110.35
Loan Outstanding Holding Company	<u>5,496.03</u> 5,496.03



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

30 EMPLOYEE BENEFITS

30.1 Defined contribution plans*:

Amounts recognised in defined contribution plan are as under:

	Period ended March 31, 2023
Provident fund administered through Regional Provident Fund Commissioner (Refer to note (i) below)	0.75
Employees' State Insurance Corporation	0.00
National Pension Scheme	0.27
	1.02

* Including amount capitalised

(i) Provident fund administered through Regional Provident Fund Commissioner

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

30.2 Defined benefit plans

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

(a) 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 the providing the above benefits and will thus result an increase in value of the liability.



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023 (All amounts in Rs. Lakhs, unless otherwise stated)

Longevity Risk

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

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

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

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. An actuarial valuations involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of defined benefit obligation and the related current service cost and past service cost were measured using projected unit credit method.

(iii) Amounts recognised in respect of these benefit plans are as follows *:

	Period ended March 31, 2023	
	Gratuity	Provident Fund
Current Service cost	3.41	2.73
Interest expenses	0.88	0.41
	4.29	3.14

The current service cost and the net interest expenses for the period are included in Note 21 "Employee Benefits Expenses" under the head Contribution to provident and other funds".

* Including amount capitalised



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

(iv) Amount recognised in other comprehensive income:

	<u>Gratuity</u> <u>Period ended</u> <u>March 31, 2023</u>
Actuarial (gain)/losses arising from changes in experience	1.34
	<u>1.34</u>

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

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

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

	<u>As at March 31, 2023</u>	
	<u>Gratuity</u>	<u>Provident Fund</u>
Opening defined benefit obligation	-	-
Current service cost	3.41	2.72
Interest cost	0.88	0.41
Actuarial (gain)/losses arising from changes in experience	1.34	0.07
Contribution by plan participants / employees	-	4.54
Settlement / transfer in	12.04	5.30
Closing defined benefit obligation	17.67	13.04



Handwritten signature

SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

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

	As at March 31, 2023	
	Gratuity	Provident Fund
Opening fair value of plan assets	-	-
Return on plan assets (excluding amounts included in net interest expenses)	-	0.52
Contributions from employer	-	2.72
Contributions from plan participants	-	4.54
Settlement / Transfer in	-	5.30
Closing fair value of plan assets	-	13.08

Gratuity :

The average duration of the defined benefit obligation is 9.18 years. The Company expects to make a contribution of Rs. 8.90 Lakhs to the defined benefit plans during the next financial year.

Provident fund:

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

(viii) **Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

	Period ended March 31, 2023	
	0.50% increase	0.50% decrease
Sensitivity analysis of Gratuity		
Discount rate	(0.77)	0.83
Expected salary growth	0.82	(0.77)
Sensitivity analysis of Provident Fund		
Discount rate	(0.90)	0.93

31 EARNINGS / (LOSS) PER SHARE (EPS)

	Period ended March 31, 2023
Loss attributable to equity holders of the company	(367.60)
Weighted average number of equity shares of the company	50,00,000
Basic and diluted loss per share of face value Rs.10 each	(7.35)



32 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**32.1 Capital Management**

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

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

	<u>As at March 31, 2023</u>
Debt and lease liabilities	26,600.07
Less:	
Cash and cash equivalents	<u>163.45</u>
Net debt	26,436.62
Total equity	131.29
Net debt to equity ratio	201.37

32.2 Financial instruments by category

Financial assets	Notes	Carrying value as at	Fair value as at
		As at March 31, 2023	As at March 31, 2023
Measured at amortised cost			
Cash and cash equivalents	a	163.45	163.45
Loans	a	13.02	13.02
Other financial assets	a	293.55	293.55
		<u>470.02</u>	<u>470.02</u>
Measured at Fair value through profit and loss			
Derivative instruments	2	9.38	9.38
		<u>9.38</u>	<u>9.38</u>
Financial liabilities	Notes	Carrying value as at	Fair value as at
		As at March 31, 2023	As at March 31, 2023
Measured at amortised cost			
Borrowings	a	26,496.03	26,496.03
Other financial liabilities	a	1,268.87	1,268.87
		<u>27,764.90</u>	<u>27,764.90</u>

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

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.



SR

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

Level 1:

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

Level 2:

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

Level 3:

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

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

Derivative contracts: The company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the guidance from management from time to time. 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.

32.3 Financial Risk Management

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

Financial risk management within the company is governed by guidance issued by senior management from time to time. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the company's results and financial position.

The company manages its market risk exposures by using specific type of financial instruments permitted by RBI as and when deemed appropriate. It is the company's policy and practice neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business.

32.3.1 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 include loans and borrowings, deposits, investments and derivative financial instruments. The company enters into derivative contracts as approved by the management to manage its exposure to interest rate risk and foreign currency risk.

A. Foreign Currency Risk Management

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

During the capex phase, the company's exchange rate risk primarily arises on import of capex items that is different from the reporting currency (transaction risk). Such exposures are hedged basis the management guidance. This foreign currency risk exposure of the company are mainly in Euro (EUR) and U.S. Dollar (USD). The company's exposure to foreign currency changes for all other currencies is not material.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in Rs. are as follows:

	Assets	Liabilities
	As at March 31, 2023	As at March 31, 2023
EUR	-	609.80

Foreign currency sensitivity analysis

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



Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

The following table details the company's sensitivity to a 1% increase and decrease in the INR 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.

	Period ended March 31, 2023	
	Rs. strengthens by 1%	Rs. weakens by 1%
Impact on profit / (loss)		
EUR	6.10	(6.10)

Foreign exchange derivative and non - derivative financial instruments

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

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

Outstanding Contracts*	No. of Deals	Contract value of foreign Currency (In Lakhs)	Maturity	
			Up to 12 months Nominal Amount* (Rs. Lakhs)	More than 12 months Nominal Amount* (Rs. Lakhs)
			As at March 31, 2023	As at March 31, 2023
EUR/USD Buy forward	3	109.25	9,751.31	-

* Computed using average forward contract rates

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

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

32.3.2 Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk from balances with banks and financial institutions is managed by the company by ensuring these funds are parked only with highly reputed banks.

None of the company's financial assets are subject to impairment, as there are no indications that defaults in payments obligation would occur.

32.3.3 Liquidity Risk Management

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

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

As at March 31, 2023	Less than 1 year	More than 1 year and up to 5 years	More than 5 years	Total
Borrowings*	7,299.41	19,744.09	6,489.94	33,533.44
Lease Liabilities **	7.26	29.06	675.63	711.95
Trade Payables	26.02	-	-	26.02
Other Financial Liabilities	1,023.83	-	-	1,023.83
	8,356.52	19,773.15	7,165.57	35,295.24

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

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



Handwritten signature

SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

33 OTHER STATUTORY INFORMATION

(i) Analytical ratios

	Period ended March 31, 2023*
a) Current ratio (Total current assets / Total current liabilities)	0.04
b) Debt-equity ratio (Total debt including lease liabilities/ Total equity)	202.61
c) Debt service coverage ratio [(Earnings before depreciation, interest and tax - current tax) / (Gross interest and lease payments + scheduled principal repayment of long term debts)]	(0.39)
d) Return on equity ratio (Profit after tax / Average equity)	(280)%
e) Inventory turnover ratio (Sale of products / Average inventory)	Not Applicable
f) Trade receivables turnover ratio (Sale of products / Average trade receivables)	Not Applicable
g) Trade payables turnover ratio (Purchases of raw materials / Average trade payables)	Not Applicable
h) Net capital turnover ratio (Sale of products / Working capital)	Not Applicable
i) Net profit ratio (Profit after tax / Total revenue from operations including other operating income)	Not Applicable
j) Return on capital employed [Earnings before interest and tax / (Total equity + total debt + deferred tax liability)]	(1)%
k) Return on investment (Income generated from investments / Weighted average investments)	4.75%

* Remarks for variance is not applicable, since this is the first financial period of the Company.

- (ii) There is no immovable property for which the title deeds is not held in name of the Company.
- (iii) The Company does not have any transactions with struck off companies.
- (iv) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (v) The Company is not declared a wilful defaulter by any bank or financial institution or any other lender.
- (vi) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Company's has not taken any working capital facility in excess of Rs. 5 Crores in aggregate from the bank/financial institutions on security of current assets at any point of time during the period. Hence, there is no requirement of quarterly filing of financial information/results to any bank/financial institutions for the period.
- (viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current period.
- (ix) There are no funds which have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



SRF ALTECH LIMITED

Notes to the financial statements for the period ended March 31, 2023
(All amounts in Rs. Lakhs, unless otherwise stated)

- (x) There are no funds which have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the reporting period.

As per our report of even date attached

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm registration no: 101248W/W-100022

For and on behalf of the Board of Directors



Amit Jain
Partner



Ashish Bharat Ram
Director



Kartik Bharat Ram
Director

Membership No: 516455
Place : Gurugram
Date : May 06, 2023

DIN - 00671567
Place : Gurugram
Date : May 06, 2023

DIN - 00008557
Place : Gurugram
Date : May 06, 2023

