



# VATSS & ASSOCIATES

## CHARTERED ACCOUNTANTS

### Report of the auditors of SRF GLOBAL B.V. Amsterdam, Netherlands to Deloitte Haskins & Sells, auditors of SRF Limited

We have audited the attached Balance Sheet of SRF Global B.V. ("the company") as at March 31, 2017, and also the statement of profit and loss of the company for the year ended and other reconciliation and information (all collectively referred to as the Fit for Consolidation (FFC) Accounts.

#### Management's Responsibility for the Consolidated FFC Accounts

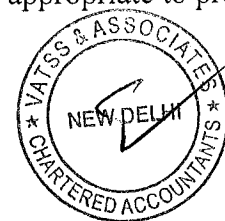
Management is responsible for the preparation and presentation of this Reporting Package in accordance with policies and instructions issued by SRF's management and the policies contained in the SRF's disclosed accounting policies. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Reporting Package that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. This Reporting Package has been prepared solely to enable SRF Limited to prepare its consolidated financial statements.

#### Auditors' Responsibility

Our responsibility is to express an opinion on this Reporting Package based on our audit. We conducted our audit in accordance with International Standards on Auditing. As requested, our audit procedures also included the additional procedures identified in your instructions. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Reporting Package. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Reporting Package, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the Reporting Package in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the Reporting Package.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**GURGAON**  
# 906, Block-A, 9th Floor, The Arcadia, South City-II  
Sohna Road, Gurgaon-122018, Haryana, (INDIA)  
Tele-Fax: +91-124-4016906  
E-mail: gurgaon@vatss.com

**NEW DELHI**  
# C-10, First Floor, Hari Nagar,  
New Delhi-110064 (INDIA)  
Tele-Fax : +91 1125497623, +91 1125490334  
E-mail: newdelhi@vatss.com

**FARIDABAD**  
#30, Sector -15, Faridabad-121007,  
Haryana (INDIA)  
Ph.: +91-129-400 6575  
E-mail: faridabad@vatss.com

## Opinion

In our opinion, the accompanying Reporting Package for SRF Global B.V. as at March 31,2017 *and* for the year then ended has been prepared, in all material respects, in accordance with the policies and instructions contained in the instructions issued by SRF's management and the policies contained in the SRF's disclosed accounting policies.


## Restriction on use and Distribution

This Reporting Package has been prepared for purposes of providing information to SRF Limited to enable it to prepare the Consolidated Financial Statements of the group. As a result, the Reporting Package is not a complete set of financial statements of SRF Global BV and may not be suitable for any other purpose.

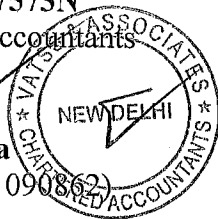
For VATSS & Associates,

Regn. No.017573N

Chartered Accountants

  
Suresh Arora

Partner(M/N: 090862)



Place: New Delhi

Dated: 11/05/2017

**SRF Global B.V.**

**Note 1:**

**ACCOUNTING POLICIES AND GENERAL NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS.**

**Significant Accounting Policies**

- a) All assets and liabilities expressed in terms of USD are translated into Indian Rupees at the rates of exchange prevailing at the balance sheet date. As per Indian Accounting Standard (Ind-AS) 21, all income and expense items are translated at average rate for the period 1st April 2016 to 31st March 2017 and the assets & Liabilities at the closing rate. Resulting exchange differences on translation, if any, are recognized as Foreign Currency Translation Reserve.
- b) Long Term Investments have been valued at Cost. Diminution in value is recognized only if there is permanent fall in the value.
- c) Deferred tax liability / asset is not recognized since there are no expenditure or income susceptible to timing differences.

**Notes to Accounts**

The previous year's figures in USD which were converted into Indian Rupees the USD/INR rate of Rs. 66.14 (closing rate) and Rs. 65.62 (average rate) whereas the current year's figures have been converted into Indian Rupees at the USD/INR rate of Rs.64.79 (closing rate) and Rs. 67.02 (average rate).

**d) Terms of repayment of Loans :**

1. Unsecured Loans from HSBC Bank Limited USD 40 Million carrying Interest rate @ 3M Libor+85 bps.
2. Unsecured Loans from Citi Bank USD 21.70 Million carrying Interest rate @ 3M Libor+95 bps.



**e) Related Party Transactions:**

**I. Interest income includes interest income from its subsidiaries:**

- (i) Interest on loan to SRF Industex Belting (Pty) Ltd Rs. 34,10,890.00 (Previous Year Rs 32,39,404.00);
- (ii) Interest on loan to SRF Industries (Thailand) Ltd Rs. 6,22,92,287.00 (Previous Year Rs. 6,33,72,886.00).
- (iii) Interest on loan to SRF Flexipak (South Africa) (Pty) Ltd Rs. NIL (Previous Year Rs. NIL)

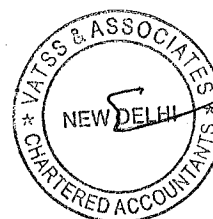
**II. Expenses includes:**

- (i) Rs. 2,23,04,274.00 (Previous Year 1,06,37,998.00) as Guarantee fee charged by SRF Limited, the holding company;
- (ii) Interest expenses on Loan from Subsidiary Company (SRF Overseas Ltd.) Rs. 1,36,60,915.00 (Previous year 1,73,79,664.00)

**III. Loan Outstanding includes :** Loan taken from SRF Overseas Limited USD Nil-Restated value as at 31.03.2017 at exchange rate of Rs. 64.79/USD is Rs. Nil (Previous year USD 9797635 – Restated value at exchange rate of Rs.66.14/USD was Rs. 64,80,15,576.00). During the year SRF Overseas Limited have been liquidated and Loan taken from SRF Overseas Limited have been adjusted against the investment made in SRF Overseas Limited.

**V. Loans and advances include:**

Name of the wholly owned subsidiaries of SRF Global B.V.	Amount outstanding as at	
	31.03.2017 (Rs.)	31.03.2016 (Rs.)
SRF Industex Belting (Pty) Ltd	11,02,79,608.00	10,92,11,434.00
SRF Industries (Thailand) Ltd.	208,42,34,739.00	206,61,90,162.00
SRF Flexipak (South Africa) (Pty) Ltd.	132,78,93,792.00	135,55,62,516.00
Expenses Letter of Credit receivable-SRF Flexipak (South Africa) (Pty) Ltd.	1,23,42,549.00	1,25,99,726.00



**VI. Short Term Borrowings/Payables includes:**

Name of the wholly owned subsidiaries/Holding of SRF Global B.V.	Amount outstanding as at	
	31.03.2017 (Rs.)	31.03.2016 (Rs.)
SRF Overseas Limited	Nil	64,80,15,576.00
SRF Limited (For Guarantee Fees & Reimbursement of Expenses)	108,48,956.00	1,85,86,332.00

f) Previous year/ period figures have been re-grouped/ re-arranged to accord with the Revised Schedule VI.

Information required by M/s Deloitte Haskins & Sells, the Statutory Auditors of SRF Limited, for the purpose of consolidation of the subsidiaries with the holding company SRF Limited as indicated in serial nos. as (a) to (f) above.

**Dinesh Verma**  
Director

**Ritesh Kumar**  
Director

Place: Gurgaon  
Date: 11/05/2017

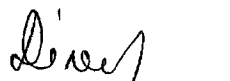


**VI. Short Term Borrowings/Payables includes:**

Name of the wholly owned subsidiaries/Holding of SRF Global B.V.	Amount outstanding as at	
	31.03.2017 (Rs.)	31.03.2016 (Rs.)
SRF Overseas Limited	Nil	64,80,15,576.00
SRF Limited (For Guarantee Fees & Reimbursement of Expenses)	108,48,956.00	1,85,86,332.00

f) Previous year/ period figures have been re-grouped/ re-arranged to accord with the Revised Schedule VI.

Information required by M/s Deloitte Haskins & Sells, the Statutory Auditors of SRF Limited, for the purpose of consolidation of the subsidiaries with the holding company SRF Limited as indicated in serial nos. as (a) to (f) above.

  
Dinesh Verma  
Director

  
Ritesh Kumar  
Director

Place: New Delhi

Date: 11/05/2017



SRF Global BV Standalone  
Balance Sheet as at 31st March 2017  
(Amount in Rupees, except for share data and if otherwise stated)



	AS at March-2017	31- AS at March-2016	31- AS at March-2015
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	-	-	-
(b) Capital work-in-progress	-	-	-
(c) Investment Property	-	-	-
(d) Goodwill on consolidation	-	-	-
(e) Goodwill	-	-	-
(f) Other Intangible assets	-	-	-
(g) Intangible assets under development	-	-	-
(h) Biological Assets other than bearer plants	-	-	-
(i) Financial Assets	-	-	-
(i) Investments	54,05,62,389	1,99,02,71,994	1,87,98,35,069
(ii) Trade receivables	-	-	-
(iii) Loans	3,41,21,28,530	3,42,17,52,678	3,27,87,10,043
(iv) Others (to be specified)	-	-	-
(j) Deferred tax assets (net)	-	-	-
(k) Other non-current assets	0	-	-
<b>(2) Current assets</b>			
(a) Inventories	-	-	-
(b) Financial Assets	-	-	-
(i) Investments	-	-	-
(ii) Trade receivables	-	-	-
(iii) Cash and cash equivalents	1,24,34,464	45,88,496	11,21,38,470
(iv) Bank balances other than (iii) above	-	-	-
(v) Loans	12,26,22,157	12,18,11,160	14,94,50,275
(vi) Others (to be specified)	-	-	-
(c) Current Tax Assets (Net)	-	-	-
(d) Other current assets	18,80,322	12,49,326	1,86,715
<b>Total Assets</b>	<b>4,08,96,27,863</b>	<b>5,53,96,73,653</b>	<b>5,42,03,20,572</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	79,59,51,080	79,59,51,080	79,59,51,080
(b) Other Equity	(70,05,83,686)	13,54,67,373	27,60,75,493
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities	-	-	-
(i) Borrowings	2,59,17,89,837	2,62,60,59,030	1,24,94,00,000
(ii) Trade payables	-	-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)	-	-	-
(b) Provisions	-	-	-
(c) Deferred tax liabilities (Net)	-	-	-
(d) Other non-current liabilities	-	-	-
<b>(2) Current liabilities</b>			
(a) Financial Liabilities	-	-	-
(i) Borrowings	1,38,66,02,280	61,94,13,137	57,78,47,500
(ii) Trade payables	1,39,78,994	1,95,88,356	91,31,585
(iii) Other financial liabilities (other than those specified in item (c))	6,41,097	1,34,24,83,239	2,51,19,14,914
(b) Other current liabilities	-	-	-
(c) Provisions	12,48,260	7,11,438	-
(d) Current Tax Liabilities (Net)	-	-	-
<b>Total Equity and Liabilities</b>	<b>4,08,96,27,863</b>	<b>5,53,96,73,653</b>	<b>5,42,03,20,572</b>

In terms of our report attached

For VATSS & ASSOCIATES

Chartered Accountants



Suresh Arora  
Partner  
M. No. 090862

*Dinesh*  
Dinesh Verma  
Director

*Ritesh*  
Ritesh Kumar  
Director

Place: New Delhi  
Date: 11/05/2017

**SRF Global BV Standalone**  
**Statement of Profit and Loss for the year ended 31st March 2017**  
(Amount in Rupees, except for share data and if otherwise stated)

Particulars	Notes Referen ce	Year ended 31st March-17	Year ended 31st March-16	Year ended 31st March-15
<b>I Revenue From Operations</b>				
Other Income		6,57,03,178	6,66,12,290	10,59,02,492
<b>Total Revenue (I)</b>		<b>6,57,03,178</b>	<b>6,66,12,290</b>	<b>10,59,02,492</b>
<b>II EXPENSES</b>				
Cost of Material consumed		-	-	-
Purchases of Stock-in-Trade		-	-	-
Changes in inventories of finished goods, stock in trade work in progress		-	-	-
Employee benefits expense		-	-	-
Finance costs		10,50,63,335	15,13,30,896.89	13,55,21,693.87
Depreciation and amortization expenses		-	-	-
Other expenses		20,95,33,037	11,72,76,209.45	43,21,171.05
<b>Total expenses (II)</b>		<b>31,45,96,372</b>	<b>26,86,07,106</b>	<b>13,98,42,865</b>
<b>III Profit before exceptional items and tax (I-II)</b>		<b>(24,88,93,194)</b>	<b>(20,19,94,816)</b>	<b>(3,39,40,373)</b>
IV Exceptional Items		-	-	-
<b>V Profit/(loss) before tax (III-IV)</b>		<b>(24,88,93,194)</b>	<b>(20,19,94,816)</b>	<b>(3,39,40,373)</b>
VI Tax expense:		-	-	-
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
<b>VII Profit/(Loss) for the period from continuing operations (V-VI)</b>		<b>(24,88,93,194)</b>	<b>(20,19,94,816)</b>	<b>(3,39,40,373)</b>
VIII Profit/(loss) from discontinued operations		-	-	-
IX Tax expense of discontinued operations		-	-	-
X Profit/(loss) from Discontinued operations (after tax) (VIII-IX)		-	-	-
<b>XI Profit/(loss) for the period (VII+ X)</b>		<b>(24,88,93,194)</b>	<b>(20,19,94,816)</b>	<b>(3,39,40,373)</b>
XII Other Comprehensive Income		-	-	-
<b>A Items that will be reclassified to profit or loss</b>				
Exchange differences on translation of foreign operations		-	-	-
Income tax effect		-	-	-
Net movement on cash flow hedges		-	-	-
Income tax effect		-	-	-
Net (loss)/gain on FVTOCI financial instruments		-	-	-
Income tax effect		-	-	-
<b>B Items that will not be reclassified to profit or loss</b>				
Re-measurement gains (losses) on defined benefit plans		-	-	-
Income tax effect		-	-	-
Revaluation of property, plant and equipment		-	-	-
Income tax effect		-	-	-
<b>XIII Total Comprehensive Income for the period (XI + XII)</b>				
(Comprising Profit (Loss) and Other Comprehensive Income for the period)		(24,88,93,194)	(20,19,94,816)	(3,39,40,373)
<b>XIV Earnings per equity share (for continuing operation):</b>				
(1) Basic		-	-	-
(2) Diluted		-	-	-
<b>XV Earnings per equity share (for discontinued operation):</b>				
(1) Basic		-	-	-
(2) Diluted		-	-	-
<b>XVI Earnings per equity share (for discontinued &amp; continuing operations)</b>				
(1) Basic		-	-	-
(2) Diluted		-	-	-

Suresh Krora  
Partner  
M. No. 090862



*Dinesh Verma*  
Dinesh Verma  
Director

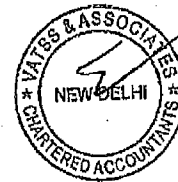
*Ritash Kumar*  
Ritash Kumar  
Director

Place: New Delhi  
Date: 11/05/2017



**SRF Global BV Standalone**  
**Balance Sheet as at 31st March, 2017**  
 Notes forming part of the financial statements as at 31st March 2017  
 (Amount in Rupees, except for share data and if otherwise stated)

	31-Mar-17	31-Mar-16	31-Mar-15
<b>Note 2: Non-Current Investments</b>			
Investment in equity shares- At FVTOCI	54,05,62,389	1990271994	1,87,98,35,069
Investment in Equity Instruments - Subsidiaries			
	<u>54,05,62,389</u>	<u>1,99,02,71,994</u>	<u>1,87,98,35,069</u>
 <b>Note 3: Long-term loans and advances</b>			
Loans and advances to related parties	3,41,21,28,530	3421752678	3278710043
	<u>3,41,21,28,530</u>	<u>3,42,17,52,678</u>	<u>3,27,87,10,043</u>



**Note 4: Cash and cash equivalents**

Balances with banks-current account	1,24,34,464	4588496.231	112138469.6
	<u>1,24,34,464</u>	<u>45,88,496</u>	<u>11,21,38,470</u>

**Note 5: Short term loans and advances**

Loans and advances to related parties-Short Term	12,26,22,157	121811159.7	149450275
	<u>12,26,22,157</u>	<u>12,18,11,160</u>	<u>14,94,50,275</u>



**Note 6: Other current assets**

CENVAT/Service tax/VAT recoverable	16,11,912	9,62,571.80	186715.3336
Unsecured - considered good			
Prepaid expenses	2,68,409	2,86,753.94	-
	<u>18,80,322</u>	<u>12,49,326</u>	<u>1,86,715</u>

**Note 7: Equity Share Capital****Subscribed and fully paid up**  
Equity Share capital  
(Equity Share of Rs.10 each)

	79,59,51,080	795951080	795951080
	<u>79,59,51,080</u>	<u>79,59,51,080</u>	<u>79,59,51,080</u>

**Note 8: Other equity**

Surplus In Statement of Profit and Loss	-	-	-
Profit for the period	(24,88,93,194)	(20,19,94,816)	(3,39,40,373)
Foreign Currency Translation Reserve	(5,98,32,912)	52,73,24,952	46,59,38,256
Equity dividend	-	-	-
Corporate tax on dividends	-	-	-
General reserve	(39,18,57,579)	(18,98,62,763)	(15,59,22,390)
Transfer to Debenture Redemption Reserve	-	-	-
SEZ Reinvestment Allowance Res	-	-	-
	<u>(70,05,83,686)</u>	<u>13,54,67,373</u>	<u>27,60,75,493</u>

**Note 9: Long-term borrowings**

Term loans from bank-Secured			
Term loans from bank-UnSecured	2,59,17,89,837	2,62,60,59,029.82	1249400000
Foreign Currency Term Loans Ot	-	-	-
Finance lease liability	-	-	-
	<u>2,59,17,89,837</u>	<u>2,62,60,59,029.82</u>	<u>1,24,94,00,000</u>



**Note 10: Short term borrowings**

Working Capital Demand Loan	1,38,66,02,280	619413137	577847500
Unsecured Buyers Credit	-	-	-
	<u>1,38,66,02,280</u>	<u>61,94,13,137</u>	<u>57,78,47,500</u>

**Note 11: Trade payables**

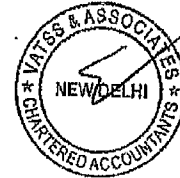
Outstanding dues to parties other than Micro and Small enterprises	1,39,78,994	1,95,88,355.75	9131585.359
	<u>1,39,78,994</u>	<u>1,95,88,356</u>	<u>91,31,585</u>

**Note 12: Other financial liabilities (Current)**

Payables for fixed assets	-	-	-
Security deposits (CL)	-	-	-
Current maturities of long term borrowings	-	1312989233	2492143479
Interest accrued but not due on borrowings	6,41,097	29494005.97	19771435.78
	<u>6,41,097</u>	<u>1,34,24,83,239</u>	<u>2,51,19,14,914</u>

**Note 13: Other current liabilities**

Statutory dues	12,48,260	711438.217	-
	<u>12,48,260</u>	<u>7,11,438</u>	<u>-</u>



**Note 14: Other income**

Interest Income	6,57,03,178	6,66,12,290	10,59,02,492
	<u>6,57,03,178</u>	<u>6,66,12,290</u>	<u>10,59,02,492</u>

**Note 15: Finance costs**

Bank charges	3,25,60,622	1,77,26,160	1,73,13,291
Interest expense	7,25,64,626	13,35,50,676	11,81,67,124
Net gain/loss on foreign currency transactions	(61,913)	54060.47173	41,278
	<u>10,50,63,335</u>	<u>15,13,30,897</u>	<u>13,55,21,694</u>

**Note 16: Other expenses**

Bad debts / advances written off	-	11,25,60,666	
Miscellaneous expenses	20,46,78,191	(62)	(33)
Power and Fuel	-	-	-
Professional and legal charges	48,54,846	47,15,605	43,21,204
	<u>20,95,33,037</u>	<u>11,72,76,209</u>	<u>43,21,171</u>



SRF GLOBAL B.V.  
*(A wholly owned subsidiary of SRF Limited)*  
 BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	79,59,51,080	79,59,51,080
Reserves and surplus	3	(70,05,83,685)	13,54,67,373
		<u>9,53,67,395</u>	<u>93,14,18,453</u>
<b>Non-current liabilities</b>			
Long-term borrowings	4(a)	2,59,16,00,000	2,64,56,00,000
		<u>2,59,16,00,000</u>	<u>2,64,56,00,000</u>
<b>Current liabilities</b>			
Short-term borrowings	4(b)	1,40,59,43,000	61,94,13,137
Trade Payable	5 (a)	1,39,78,994	1,95,88,356
Other current liabilities	5 (b)	18,89,357	1,35,30,05,444
		<u>1,42,18,11,351</u>	<u>1,99,20,06,937</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,10,87,78,746</u></u>	<u><u>5,56,90,25,390</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current investments	6	54,05,62,389	1,99,02,71,994
Long-term loans and advances	7	3,41,21,28,530	3,42,17,52,678
Other Non current assets	8	95,40,366	1,95,40,970
		<u>3,96,22,31,286</u>	<u>5,43,15,65,642</u>
<b>Current assets</b>			
Cash and cash equivalents	9	1,24,34,464	45,88,496
Short-term loans and advances	10	12,45,02,479	12,30,60,485
Other current assets	11	96,10,516	98,10,767
		<u>14,65,47,460</u>	<u>13,74,59,748</u>
<b>TOTAL ASSETS</b>		<u><u>4,10,87,78,746</u></u>	<u><u>5,56,90,25,390</u></u>

Accounting policies contained in Note 1 and notes 2 to 14 form part of the financial statements.

In terms of our report attached  
 For VATSS & ASSOCIATES  
 Chartered Accountants

Suresh Arora  
 Partner  
 M. No. 090862



Dinesh Verma  
 Director

Ritesh Kumar  
 Director

Place: New Delhi  
 Date: 11/05/2017

SRF GLOBAL B.V.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	Year Ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
<b>INCOMES</b>			
Other Incomes	12	6,57,03,178	6,66,12,290
<b>EXPENSES</b>			
Other expenses	13	20,94,71,124	11,73,30,270
Finance costs	14	10,51,25,248	15,12,76,836
<b>TOTAL EXPENSES</b>		<u>31,45,96,372</u>	<u>26,86,07,106</u>
Profit/(Loss) for the year before tax		(24,88,93,194)	(20,19,94,816)

Accounting policies contained in Note 1 and notes 2 to 14 form part of the financial statements.

In terms of our report attached  
For VATSS & ASSOCIATES  
Chartered Accountants

Suresh Arora  
Partner  
M. No. 090862



*Dinesh Verma*  
Dinesh Verma  
Director

*Ritesh Kumar*  
Ritesh Kumar  
Director

Place: New Delhi  
Date: 11/05/2017

**SRF GLOBAL B.V.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

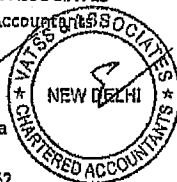
	Description	March 31, 2017 (Rupees)	March 31, 2016 (Rupees)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit before tax and extra-ordinary items	(24,88,93,194)	(20,19,94,816)
	Profit or Loss on Translation of Foreign Currencies	(58,71,57,864)	6,13,86,696
	Operating profit before working capital changes	(83,60,51,058)	(14,06,08,120)
	Adjustment for		
	Trade payables and provisions	(1,35,67,25,449)	9,42,90,779
	Trade and other receivable	2,00,251	(31,54,245)
	Cash generated for operations before tax	(2,19,25,76,257)	(4,94,71,586)
	Income Tax	-	-
	Net cash from operating activities (A)	(2,19,25,76,257)	(4,94,71,586)
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	SRF Industex Belting	27,17,400	(73,87,303)
	SRF Technical Textiles (Thailand)	85,46,038	(2,32,32,561)
	SRF Overseas Limited	1,43,84,46,150	(7,98,17,015)
	SRF Flexipak South Africa (Pty) Ltd	17	(46)
	Loans & Advances	81,82,154	(11,64,66,129)
	Net Cash Flow from Investing activities	1,45,78,91,759	(22,69,03,054)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue Long Term Borrowings	-	22,02,00,000
	Proceeds from Short Term Borrowings	1,40,59,43,000	4,15,65,637
	Repayment of Long Term Borrowings	(5,40,00,000)	-
	Repayment of Short Term Borrowings	(61,94,13,137)	-
	Other Non Current assets	1,00,00,604	(1,95,40,970)
	Net Cash Flow from financing activities	74,25,30,467	24,22,24,667
	Net increase in cash and cash equivalents D=(A+B+C)	78,45,969	(3,41,49,973)
	Cash and cash equivalents at the beginning of the year (E)	43,88,496	11,21,38,470
	Cash and cash equivalents at the close of the year F=(D+E)	1,24,34,465	7,79,88,496

We have certified the above cash flow statement of SRF Global B.V. derived from the audited financial statements for the year ended March 31, 2017 and other records and found the same to be drawn in accordance there with.

For VATSS & ASSOCIATES

Chartered Accountants

  
Suresh Arora  
Partner  
M. No. 090862



  
Dinesh Verma  
Director

  
Ritesh Kumar  
Director

Place: New Delhi  
Date: 11/05/2017



SRF Global B.V.

Note 1:

**ACCOUNTING POLICIES AND GENERAL NOTES FORMING PART OF BALANCE SHEET AND STATEMENT OF PROFIT & LOSS.**

**Significant Accounting Policies**

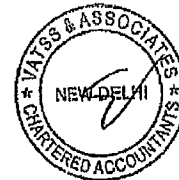
- a) All assets and liabilities expressed in terms of USD are translated into Indian Rupees at the rates of exchange prevailing at the balance sheet date. As per AS 11, all income and expense items are translated at average rate for the period 1st April 2016 to 31st March 2017 and the assets & Liabilities at the closing rate. Resulting exchange differences on translation, if any, are recognized as Foreign Currency Translation Reserve.
- b) Long Term Investments have been valued at Cost. Diminution in value is recognized only if there is permanent fall in the value.
- c) Deferred tax liability / asset is not recognized since there are no expenditure or income susceptible to timing differences.

**Notes to Accounts**

The previous year's figures in USD which were converted into Indian Rupees the USD/INR rate of Rs. 66.14 (closing rate) and Rs. 65.62 (average rate) whereas the current year's figures have been converted into Indian Rupees at the USD/INR rate of Rs.64.79 (closing rate) and Rs. 67.02 (average rate).

**d) Terms of repayment of Loans :**

1. Unsecured Loans from HSBC Bank Limited USD 40 Million carrying Interest rate @ 3M Libor+85 bps.
2. Unsecured Loans from Citi Bank USD 21.70 Million carrying Interest rate @ 3M Libor+95 bps.



e) Related Party Transactions:

I. Interest income includes interest income from its subsidiaries:

- (i) Interest on loan to SRF Industex Belting (Pty) Ltd Rs. 34,10,890.00 (Previous Year Rs 32,39,404.00);
- (ii) Interest on loan to SRF Industries (Thailand) Ltd Rs. 6,22,92,287.00 (Previous Year Rs. 6,33,72,886.00).
- (iii) Interest on loan to SRF Flexipak (South Africa) (Pty) Ltd Rs. NIL (Previous Year Rs. NIL)

II. Expenses includes:

- (i) Rs. 2,23,04,274.00 (Previous Year 1,06,37,998.00) as Guarantee fee charged by SRF Limited, the holding company;
- (ii) Interest expenses on Loan from Subsidiary Company (SRF Overseas Ltd.) Rs. 1,36,60,915.00 (Previous year 1,73,79,664.00)

III. Loan Outstanding includes : Loan taken from SRF Overseas Limited USD Nil-Restated value as at 31.03.2017 at exchange rate of Rs. 64.79/USD is Rs. Nil (Previous year USD 9797635 – Restated value at exchange rate of Rs.66.14/USD was Rs. 64,80,15,576.00). During the year SRF Overseas Limited have been liquidated and Loan taken from SRF Overseas Limited have been adjusted against the investment made in SRF Overseas Limited.

V. Loans and advances include:

Name of the wholly owned subsidiaries of SRF Global B.V.	Amount outstanding as at	
	31.03.2017 (Rs.)	31.03.2016 (Rs.)
SRF Industex Belting (Pty) Ltd	11,02,79,608.00	10,92,11,434.00
SRF Industries (Thailand) Ltd.	208,42,34,739.00	206,61,90,162.00
SRF Flexipak (South Africa) (Pty) Ltd.	132,78,93,792.00	135,55,62,516.00
Expenses Letter of Credit receivable-SRF Flexipak (South Africa) (Pty) Ltd.	1,23,42,549.00	1,25,99,726.00

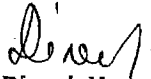


**VI. Short Term Borrowings/Payables includes:**

Name of the wholly owned subsidiaries/Holding of SRF Global B.V.	Amount outstanding as at	
	31.03.2017 (Rs.)	31.03.2016 (Rs.)
SRF Overseas Limited	Nil	64,80,15,576.00
SRF Limited (For Guarantee Fees & Reimbursement of Expenses)	108,48,956.00	1,85,86,332.00

f) Previous year/ period figures have been re-grouped/ re-arranged to accord with the Revised Schedule VI.

Information required by M/s Deloitte Haskins & Sells, the Statutory Auditors of SRF Limited, for the purpose of consolidation of the subsidiaries with the holding company SRF Limited as indicated in serial nos. as (a) to (f) above.

  
Dinesh Verma  
Director

  
Ritesh Kumar  
Director

Place: New Delhi

Date: 11/05/2017



SRF GLOBAL B.V.

2. Share Capital

a) Details of share capital

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	Rupees	Rupees
<b>AUTHORISED</b>		
201,800 equity shares (Previous Year - 201,800 equity shares) of Euro 100 each	1,27,83,83,082	1,27,83,83,082
	<u>1,27,83,83,082</u>	<u>1,27,83,83,082</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
128,920 equity shares ( Previous Year 128,920) / par value Euro 100 fully Paid up	79,59,51,080	79,59,51,080
( The entire above shares are held by the holding Company SRF Limited)	<u>79,59,51,080</u>	<u>79,59,51,080</u>



SRF GLOBAL B.V.

3. Reserves and Surplus

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	Rupees	Rupees
Deficit in statement of profit and loss	(64,07,50,773)	(39,18,57,579)
Translation reserve	(5,98,32,912)	52,73,24,952
Total Reserves and Surplus	<u>(70,05,83,685)</u>	<u>13,54,67,373</u>

i) Deficit in statement of profit and loss

	As at	As at
	March 31, 2017	March 31, 2016
	Rupees	Rupees
As at the beginning of the year	(39,18,57,579)	(18,98,62,763)
Profit / (Loss) for the year	(24,88,93,194)	(20,19,94,816)
As at the end of the year	<u>(64,07,50,773)</u>	<u>(39,18,57,579)</u>

ii) Foreign Currency Translation Reserve

	As at	As at
	March 31, 2017	March 31, 2016
	Rupees	Rupees
As at the beginning of the year	52,73,24,952	46,59,38,256
During the year	(58,71,57,864)	6,13,86,696
As at the end of the year	<u>(5,98,32,912)</u>	<u>52,73,24,952</u>



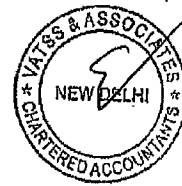
SRF GLOBAL B.V.

**4 (a) LONG TERM BORROWINGS**

Particulars	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
Secured		
Term loan from bank	2,59,16,00,000	2,64,56,00,000
Unsecured		
Term loan from bank	-	1,32,28,00,000
	2,59,16,00,000	3,96,84,00,000
Less : Current Maturities of Long Term Borrowings	-	(1,32,28,00,000)
Total long term borrowings	2,59,16,00,000	2,64,56,00,000

**4 (b) SHORT TERM BORROWINGS**

	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
Unsecured		
Loan from bank	1,40,59,43,000	-
Loan from Subsidiary company	-	61,94,13,137
	1,40,59,43,000	61,94,13,137
Total short term borrowings	1,40,59,43,000	61,94,13,137



SRF GLOBAL B.V.

5 (a). Trade Payables

Particulars	As at March 31, 2017 (Rupees)	As at March 31, 2016 (Rupees)
Trade payables		
- Outstanding dues to Micro and Small enterprises	-	-
- Outstanding dues to parties other than Micro and Small enterprises	1,39,78,994	1,95,88,356
	<u>1,39,78,994</u>	<u>1,95,88,356</u>

5 (b). Other current liabilities

Particulars	As at March 31, 2017 (Rupees)	As at March 31, 2016 (Rupees)
Interest accrued but not due on short term borrowings	6,41,097	2,94,94,006
Statutory remittances	12,48,260	7,11,438
Current Maturities of Long Term Borrowings	-	1,32,28,00,000
	<u>18,89,357</u>	<u>1,35,30,05,444</u>



SRF GLOBAL B.V.

6. Investment

Particulars	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
<b>NON-CURRENT INVESTMENTS</b>		
<b>NON TRADE INVESTMENTS (AT COST)</b>		
<b>INVESTMENT IN SUBSIDIARIES</b>		
SRF Industex Belting (Pty) Ltd (South Africa) (133,20,202 ordinary shares of Rand 1 each)	13,04,15,087	13,31,32,487
SRF Industries (Thailand) Ltd (Thailand)) (1,000,001 ordinary shares of Baht 100 each.)	41,01,46,489	41,86,92,527
SRF Overseas Limited (British Vrrigin Islands) (22,893,366 ordinary shares (Class A) of US \$ 1 each).	-	1,43,84,46,150
SRF Flexipak South Africa (Pty) Ltd (100 ordinary shares of Rand 1 each)	813	830
<b>TOTAL INVESTMENTS</b>	<b>54,05,62,389</b>	<b>1,99,02,71,994</b>





SRF GLOBAL B.V.

7. Long-term loans and advances  
(Unsecured considered good, unless otherwise stated)

Particulars	As at March 31, 2017 (Rupees)	As at March 31, 2016 (Rupees)
Loans and advances to related parties:		
SRF Industries (Thailand) Limited (Includes interest accrued of Rs.29,74,19,810)	2,08,42,34,739	2,06,61,90,162
SRF Flexipak (South Africa) (Pty) Limited (Includes interest accrued of Rs. Nil)	1,32,78,93,792	1,35,55,62,516
Total Long-term loans and advances	3,41,21,28,530	3,42,17,52,678

**Note** The loan given by SRF Global BV to SRF Industries Thailand and SRF Flexipak has become long term in nature due to IFC repayment clause. The same has been reclassified as Long term advances.



SRF GLOBAL B.V.

8. Other Non-Current Assets

	As at March 31, 2017 (Rupees)	As at March 31, 2016 (Rupees)
Long Term Prepaid Expenses	95,40,366	1,95,40,970
Total Other Non-Current Assets	<u>95,40,366</u>	<u>1,95,40,970</u>



SRF GLOBAL B.V.

9. Cash and cash equivalents

Particulars	As at March 31, 2017 (Rupees)	As at March 31, 2016 (Rupees)
Cash and cash equivalents		
Balance with banks on		
Current accounts	1,24,34,464	45,88,496
<b>Total cash and bank balances</b>	<b>1,24,34,464</b>	<b>45,88,496</b>



SRF GLOBAL B.V.

10. Short-term loans and advances  
(Unsecured considered good, unless otherwise stated)

Particulars	As at	As at
	March 31, 2017 (Rupees)	March 31, 2016 (Rupees)
Loans and advances to related parties:		
SRF Industex Belting (Pty) Limited (Includes interest accrued of Rs. 1,30,94,608)	11,02,79,608	10,92,11,434
VAT Recoverables	16,11,912	9,62,572
Other Receivables	1,26,10,959	1,28,86,479
Total short-term loans and advances	<u>12,45,02,479</u>	<u>12,30,60,485</u>



SRF GLOBAL B.V.

11. Other Current Assets

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Unamortised expenses	96,10,516	98,10,767
Total other current assets	<u>96,10,516</u>	<u>98,10,767</u>



SRF GLOBAL B.V.

12. Other income

Particulars	Year Ended	Year ended
	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Interest income	6,57,03,178	6,66,12,290
Total other operating income	<u>6,57,03,178</u>	<u>6,66,12,290</u>



SRF GLOBAL BV

13. Other expenses

Particulars	Year Ended	Year ended
	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Professional and legal charges	46,71,005	45,30,549
Audit Fees	1,83,840	1,85,056
Exchange currency fluctuation	(61,913)	54,060
Write off of loans (Intercompany)	-	11,25,60,667
Miscellaneous expenses	20,46,78,191	(62)
	<u>20,94,71,124</u>	<u>11,73,30,270</u>



SRF GLOBAL BV

14. Finance Costs

Particulars	Year Ended	Year ended
	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Interest expenses		
On loans for fixed period	7,25,64,626	13,35,50,676
Other borrowing costs	3,25,60,622	1,77,26,160
	<u>10,51,25,248</u>	<u>15,12,76,836</u>

