



SRF Polymers Limited

**Annual Report
2008-2009**

BOARD OF DIRECTORS

Mr. Ashish Bharat Ram, Chairman
Mr. Kartikeya Bharat Ram
Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary
Mr. S.P. Agarwala
Mr. K. Ravichandra
Mr. Mukul Khandelwal
Mr. Amitav Virmani
Mr. Dhirendra Datta

Auditors

Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi

Bankers

ICICI Bank Ltd.

Registered Office

C-8, Commercial Complex, Safdarjung Development Area, New Delhi – 110 016

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SRF POLYMERS LIMITED

Regd.Office: C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110 016

Corporate Office: Block C, Sector - 45, Gurgaon - 122 003 (Haryana)

NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of SRF Polymers Limited will be held on Friday, the 25th September, 2009 at 11.00 A.M. at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110 016 to transact the following businesses:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. K Ravichandra, who retires by rotation, and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Mukul Khandelwal, who retires by rotation, and being eligible, offers himself for re-election.

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

"RESOLVED that M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual general meeting at a remuneration to be fixed by the Board of Directors/Audit Committee and service tax thereon and re-imbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."

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

"RESOLVED that Mr. Dharendra Datta, who by his co-option as an additional Director with effect from 17th October, 2008, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a director of the Company liable to retire by rotation."

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

"RESOLVED that pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government the

name of the Company be changed from SRF Polymers Limited to KAMA Holdings Limited."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution."

By Order of the Board
for **SRF POLYMERS LIMITED**

Place: New Delhi
Date: 30th July, 2009

Rajat Lakhanpal
Whole-time Director &
Company Secretary

NOTES:

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HERewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 8th September, 2009 to Tuesday, 15th September, 2009 (both days inclusive).
4. Members seeking any information regarding accounts to be given at the meeting should write to the Company at its Corporate Office at Block C, Sector – 45, Gurgaon, 122 003 (Haryana) at least seven days before the meeting so as to enable the management to keep the information ready.
5. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the previous financial years may send their outdated dividend warrants to M/s Karvy Computershare Private Limited, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500 081 for issue of 'payable at par' cheques/ demand drafts in lieu thereof.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 2 & 3

Mr. K. Ravichandra and Mr. Mukul Khandelwal shall retire by rotation and being eligible, offer themselves for re-appointment.

Brief resume of the Directors being re-appointed are as under:

Mr. K. Ravichandra

Mr. K. Ravichandra (75) is a Chemical Engineer from Madras University. He has been associated with various Government companies including Fertilizers and Chemicals Travancore Ltd. and Hindustan Petroleum Chemicals Ltd.

He has been consultant to GAIL for Safety studies at their petrochemical complex. He has been associated with SRF Limited as Director (Safety and Environment) since 1997 and is responsible for compliances with the laws relating to safety, health and environment at the factories of the company besides his responsibilities as Occupier under the Factories Act.

Mr. K. Ravichandra is also a Director of SRF Polymers Investments Ltd. and Chairman of its Audit Committee.

No Director of the Company other than Mr. K. Ravichandra is concerned or interested in the Resolution.

Mr. Mukul Khandelwal

Mr. Mukul Khandelwal (38) has done B.A.(Hons) in Economics from Shriram College of Commerce. He has been associated with garments business since 1993. He is currently running a buying agency dealing in garments and representing stores in Malaysia, Canada, Brazil, Austria, Switzerland and Australia.

Mr. Mukul Khandelwal is a member of the Audit Committee and Remuneration Committee of the Board.

No Director other than Mr. Mukul Khandelwal is concerned or interested in the Resolution.

Item No. 5

Mr. Dharendra Datta was co-opted as additional Director on the Board of Directors of the Company on 17th October, 2008. In terms of Articles of Association of the Company and Section 260 of the Companies Act, 1956, he holds office up to the date of the 9th Annual General Meeting. Your Board is of view that it will be in the interest of the Company to induct him on the Board of the Company as a regular Director retiring by rotation.

Mr. Dharendra Datta (62) is a qualified chartered accountant having an experience of 33 years.

The Company has received a notice under section 257 from a member signifying his intention to propose the candidature of Mr. Dharendra Datta at the forthcoming Annual General Meeting.

Mr. Dharendra Datta is a member of the Audit Committee of the Board w.e.f. 31.01.2009.

Directorship in other Public Companies

SRF Polymers Investments Limited.

None of the Directors of the Company other than Mr. Dharendra Datta is interested in the Resolution.

Item No. 6

The Members had vide their resolutions passed by postal ballot on 4th December, 2008, approved divestment of Engineering Plastics Business and Industrial Yarn Business and amendment of the 'Other Objects' clause of the Memorandum of Association of the Company by including other objects relating to, inter-alia, the business of investment in shares of other companies. Therefore it is proposed to change the name of the Company to "KAMA Holdings Limited". The Registrar of Companies, New Delhi has confirmed that the new name is available for registration under Section 21 of the Companies Act, 1956.

The Directors trust that this change of name will have the members' support and approval.

None of the Directors of the Company are concerned or interested in the Resolution.

INSPECTION

The Documents referred to in the Notice shall be open for inspection at the **Corporate Office of the Company** on any working day, between 3 P.M. and 5 P.M. and shall also be available at the meeting.

Stock Exchange where Company's securities are listed:

The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai 400 001

Listing fee has been paid to The Bombay Stock Exchange Ltd. upto March, 2010.

DIRECTORS' REPORT

To the Members,

The Directors are pleased to present the Ninth Annual Report on the business and operations of the Company and the statement of accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	(Rs. Crores)	
	2008-09	2007-08
Sales and Other Income	176.96	169.73
Profit Before Interest, and Depreciation & Tax (EBIDTA)	52.16	(1.74)
Less: Interest & Finance Charges	15.21	12.41
Profit before Depreciation and Tax (PBDT)	36.95	(14.15)
Less: Depreciation	4.70	4.75
Profit before Tax (PBT)(Includes Extra Ordinary Income of Rs. 15.84 Crores)	32.25	(18.89)
Less: Provision For Taxes (including provision for deferred tax)	11.84	(4.90)
Net Profit after Tax (PAT)	20.41	(13.99)
Add: Profit brought forward from previous years	6.84	20.84
Profit available for appropriation	27.25	6.84
Appropriations		
Dividend on Equity shares	-	-
Corporate tax on dividend	-	-
Amount transferred to General Reserve	-	-
Profit carried to Balance Sheet	27.25	6.84

Equity Dividend

Your Board has decided not to recommend any dividend for the year.

Operations Review

Gross Sales decreased by 32% to Rs. 118.56 crores from Rs 173.67 crores in the previous year as the Engineering Plastics Business and Industrial Yarn Business have been divested with effect from 1.1.2009. Operating profit (EBIDT) increased by 3098% to Rs 52.16 crores from a loss of Rs 1.74 crores. Profit before tax increased by 271 % to Rs 32.25 crores from a loss of Rs 18.9 crores. Profit after Tax increased by 246 % to Rs 20.41 crores from a loss of Rs 14 crores mainly on account of profit on divestment of the above businesses.

Business-wise Review

During the year, your Company has divested Engineering Plastics Business and Industrial Yarn Business to SRF Ltd. at a consideration of Rs 150.31 crores.

Divestment of Businesses

Pursuant to the ordinary resolution passed by the shareholders through Postal Ballot on 4th December, 2008, the Company has sold the Engineering Plastics Business and Industrial Yarn Business to SRF Limited on a going concern and slump sale basis with effect from January 1, 2009 under a Business Transfer Agreement at a consideration of Rs. 150.31 Crores.

Amendment in Other Object Clause of Memorandum of Association

Pursuant to the Special Resolution passed through Postal Ballot on 4th December, 2008, the shareholders had approved amendment to the 'Other Objects' clause of the Memorandum of Association by including objects relating to investment in securities, acting as consultants and financial intermediaries etc. as well as commencement of business under these objects and other related activities.

The possibility of obtaining registration as non-banking financial company is also being examined.

Change of Name of the Company

In view of divestment of Company's manufacturing businesses, it is proposed to change the name of the Company to KAMA Holdings Limited. A suitable resolution for change of name is being proposed in the notice of the ensuing annual general meeting. The Directors trust that this change of name will have the members' support and approval.

Subsidiary Company

SRF Polymers Investments Ltd. the wholly-owned subsidiary of the Company made a loss of Rs. 20.45 Lacs during the year 2008-09 mainly on account of payment of interest on loans.

Information in respect of subsidiary together with accounts and reports required under Section 212 of the Companies Act, 1956 are attached, which form part of the annual report and accounts.

Directors

Mr. K Ravichandra and Mr. Mukul Khandelwal, Directors retire by rotation and being eligible, offer themselves for re-appointment.

During the year, Mr. Arun Bharat Ram and Mr. Vinod K. Kala, resigned from the Board of Directors. The Board places on record its gratitude and appreciation for the services rendered by them.

On the resignation from the Board by Mr Arun Bharat Ram, your directors have appointed Mr. Ashish Bharat Ram as Chairman of the Company.

Mr. Dharendra Datta has been co-opted as an additional director w.e.f. 17.10.08. He holds office upto the date of the 9th Annual General Meeting. Notice under section 257 of the Companies Act, 1956 has been received from a member proposing the name of Mr. Dharendra Datta for appointment as Director of the Company.

Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and wherever material departures are there proper explanations have been given;

- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended 31.03.2009 on a 'going concern' basis.

The Company is controlled by Arun Bharat Ram Group ("Promoter Group") being a group as defined under the Monopolies and Restrictive Trade Practices Act, 1969. The Promoter Group consists of various individuals and corporate bodies, detailed below, who are in a position to and who jointly exercise control over the Company.

a) Mr. Arun Bharat Ram; b) Mr. Ashish Bharat Ram; c) Mr. Kartikeya Bharat Ram; d) Mrs. Shiela Bharat Ram; e) Mrs. Manju Bharat Ram; f) Mrs. Vasvi Bharat Ram; g) Mrs. Radhika Bharat Ram; h) SRF Ltd; i) SRF Transnational Holdings Ltd; j) Skylark Investments & Trading Pvt. Ltd.; k) Narmada Farms Pvt. Ltd; and l) Bhairav Farms Pvt. Ltd.

Listing of Shares

Your Company's shares are listed at the Bombay Stock Exchange Ltd.

Corporate Governance

Certificate of the auditors of your Company regarding compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges is attached to the report as annexure 1.

In compliance with the requirements of Clause 49(V), a certificate from Whole-time Director & Company Secretary was placed before the Board.

All Board members and senior management personnel had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Whole-time Director & Company Secretary is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company (www.srfpolymers.com).

Consolidated Financial Statement

In accordance with the Accounting Standard AS-21 & AS-23 on Consolidated Financial Statements, your Directors have pleasure in attaching the Consolidated Financial Statements, which form part of the Annual Report and Accounts.

Accounts and Audit

The Auditors, M/s Thakur, Vaidyanath, Aiyar & Company, retire at the conclusion of the 9th Annual General Meeting

and being eligible, offer themselves for re-appointment. The observations of the Auditors are explained wherever necessary in appropriate notes to the Accounts.

Management Discussion and Analysis

Management discussion and analysis on matters relating to the business performance, as stipulated in clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in the Annual report.

Fixed Deposits

Your Company had discontinued to accept/renew fixed deposits w.e.f. 1st April, 2009. All the existing Deposits will be repaid as and when they fall due.

Deposits (including interest) amounting to Rs. 0.24 crores due for repayment on or before 31st March, 2009 remained unclaimed by 84 depositors. There have been no defaults in repayment of fixed deposits during the year.

Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees), Rules, 1975, as amended, the name and other particulars of employees are set out in the annexure 2 to the Directors' Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo

The prescribed details as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are set out in the annexure 3 to the Directors' report.

Acknowledgements

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government and the Government of Tamil Nadu, Uttarakhand and the banks. Your Directors thank the shareholders for their support. Your Directors also place on record their appreciation of the contribution made by employees at all levels.

For and on Behalf of The Board of Directors

Rajat Lakhanpal	Kartikeya Bharat Ram	Amitav Virmani
Whole-time	Director	Director
Director & Company		
Secretary		

Place: New Delhi
Date: 18th June, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

In general, the businesses faced one of the toughest and unprecedented economic situations in the year 2008-09. The global meltdown that surfaced in the beginning of 2008 in the United States percolated through the system affecting economies all around the world including India. While the Indian economy managed to continue on its growth path, the second half of 2008-09 became extremely tough due to slackening demand and tight credit availability.

For SRF Polymers, the ability to continue to grow its two main operating businesses, Engineering Plastics Business and Industrial Yarn Business became difficult. This was largely due to the tight financial situation that existed in the

economy as well as the internal leverage in the Company. There was a risk that if we did not continue to finance these businesses, the businesses could become unviable over time. The Company engaged a well reputed consultant to value the two businesses so that the sale option could be looked into.

Subsequently, these businesses were sold to SRF Ltd. in January 2009 on a 'going concern' basis for a total consideration of Rs. 150.31 crore. The proceeds from the sale have been used to reduce the borrowings of the Company. As things stand now, the main source of income for the Company will be the dividends it will receive from its holding in SRF Ltd.

ANNEXURE-1 TO DIRECTOR'S REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of SRF POLYMERS LIMITED

We have examined the compliance of conditions of Corporate Governance by SRF Polymers Limited, for the year ended on 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us:

We certify that the company has complied with the mandatory conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that there are no investor grievance(s) pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

Place: New Delhi
Date: 18th June, 2009

V. Rajaraman
Partner
M.No.2705

ANNEXURE-2 TO DIRECTOR'S REPORT (STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

NAME	AGE (in yrs.)	DESIGNATION	REMU.	QUALIFICATION	EXP.	DOJ-SRF Ltd	LAST EMPLOYMENT
*Prashant Yadav	39	Vice President	1938919	B.E.	17	3/21/1994	NA
*Kishen Loiwal	55	Vice President	2206588	MBA	34	4/9/2008	VP-Marketing, JCT Ltd (Filament)

*Employed for the part of the year

- NOTES: 1. Remuneration comprises salary, allowances, perquisites and Company's contributions to Provident Fund and Superannuation Fund.
2. All appointments are contractual in nature.
3. There are no employee in the services of the Company within the category covered by sub-section (a) (iii) of section 217 (2A) of the Companies Act, 1956.
4. None of the above employee is a relative of any Director of the Company.

ANNEXURE-3 TO THE DIRECTOR'S REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956, read with The Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended March 31, 2009

A) Conservation of energy

- a. Energy conservation measures taken:
Recovered caprolactum distillation cycle time was reduced from eighteen hours to twelve hours per batch by in-house engineering modifications
- b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy:
 1. A proposal of Rs132 Lacs for up gradation of old twin screw extruder has been given. This will improve existing low capacity to installed capacity thereby reducing energy consumption per unit of compounded chips.
- c. Impact of measures at a & b above for reduction of energy consumption and consequent impact on the cost of production of the goods
Impact of the extruder up gradation as stated in (b) will give a benefit of reduction in power consumption from 0.45 to 0.38 KWH/kg in the coming year.
Impact of reduction in distillation cycle time will give a benefit of 20KW per batch.

Form-A

Form for Disclosure of Particulars with respect to conservation of Energy:-

Power and fuel consumption	2008-09	2007-08
1 Electricity		
a) Purchased		
- Total units (000 KWH)	5,705.94	7969.35
- Total amount (Rs Lakhs)	277.40	382.74
- Rate/Unit (Rs)	4.86	4.80
b) Own Generation		
Through Diesel (000 KWH)	86.83	403.66
- Units per KL of Diesel Oil	0.35	0.35
- Cost/Unit (Rs)	10.04	11.38

Consumption per unit of production

	2008-09	2007-08
1 Electricity (KWH/MT)		
- Twine	1937.41	1705.00
- Nylon chips	6013.78	5121.89
- Moulding powder	710.84	619.77
2 Steam (MT)		
Nylon chips	19.47	27.43

Form B

Form for disclosure of particulars with respect to absorption:

Research and Development (R & D)

- a. Specific areas in which R&D is carried out by the company
 - Successfully developed Nylon alloy for telecom Industries to replace Nylon12.
 - PC/PBT alloy developed and trial taken at customer end.

- Halogen free flame retardant compound developed for Nylon6 in Pilot Plant and customer approval obtained for the sample.
- UL Product certification obtained for Nylon6 and Nylon66 flame retardant grades
- Hydrolysis Resistant grades developed in Nylon 66 for Radiator Manifold, sample given to customer for trials
- b. Benefits derived as the result of the above R & D:
 - New product has given higher value addition with the result that the average contribution increased substantially.
 - Our capability has improved customers confidence in us and they are approaching us for all their future development.
- c. Future plan of action
 - Launching of new polymers (Poly carbonate compounds)
 - Developing materials for engine cover
 - Development of PC/ABS alloys.

Expenditure on R&D	2008-09 (Rs lakhs)	2007-08 (Rs lakhs)
Capital	-	-
Recurring	-	-
Total	-	-
Total R&D expenditure as per cent of Turnover	-	-

Technology absorption, adoption and innovation

a. Efforts in brief, made towards technology absorption, adaptation and innovation

The company has not imported any technology and it has been successfully using in house technology and developing all the new polymer compound and speciality grades.

b. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, Product development, import substitution etc.

The company is continuously developing new grades to meet the market requirements. New product sales will go up and in turn the overall sales and turnover will go up.

Foreign Exchange Earnings and Outgo

Particulars	2008-09 (Rs lakhs)	2007-08 (Rs lakhs)
Foreign Exchange Earnings	317.64	236.33
Foreign Exchange Outgo	3240.30	8403.66
Net Foreign Exchange Earning (Out go)	(2922.66)	(8167.33)

For and on Behalf of The Board of Directors
Rajat Laxhanpal **Kartikeya Bharat Ram** **Amitav Virmani**
 Whole-time Director Director Director
 Director & Company Secretary

Place: New Delhi
 Date: 18th June, 2009

REPORT ON CORPORATE GOVERNANCE

Philosophy of the Company on Corporate Governance

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

Board of Directors

Composition of the Board

As on 31 March 2009, SRF Polymers' Board consisted of eight Directors. One Director is executive of the Company, four are non-executive and independent, two are non-executive promoter and one is non-executive but not independent. Table 1 gives the details of the Board during the year 2008-09.

Table 1: Composition of the Board of Directors of SRF Polymers

Sl.No.	Name of Director	Category of Director	No. of other Directorships#	No. of Board-level Committees where chairperson or member	
				Chairperson	Member
1	Mr. Ashish Bharat Ram	Non- Executive, promoter	4	1	1
2	Mr. Kartikeya Bharat Ram	Non-Executive, promoter	3	-	1
3	Mr. S. P. Agarwala	Independent	1	1	3
4	Mr. Rajat Lakhanpal	Executive	1	-	1
5	Mr. K. Ravichandra	Non-Executive, non-independent	2	1	-
6	Mr. Mukul Khandelwal	Independent	-	-	1
7	Mr. Amitav Virmani*	Independent	1	1	1
8	Mr. Dharendra Datta**	Independent	1	-	1

#Directorship in Foreign Companies and the Indian Pvt. Ltd. companies is not included.

*Mr. Amitav Virmani was appointed as Additional Director w.e.f. 4.6.2008

**Mr. Dharendra Datta was appointed as Additional Director w.e.f. 17.10.2008.

Independent Directors on the Board of SRF Polymers Ltd. are non-executive directors who:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect the independence of the Director
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an executive of the company in the immediately preceding three financial years
- Are not partner or executive or were not partner or an executive during the preceding three years of any of the following:
 - Statutory audit firm or the internal audit firm that is associated with the company;
 - Legal firm(s) and consulting firm(s) that have a material association with the company;
- Are not material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the Director;
- Are not a substantial shareholder of the company i.e. do not own two percent or more of the block of voting shares; and
- Are not less than 21 years of age

As mandated by Clause 49 of the Listing Agreement, none of the Directors is a member of more than ten Board level

committees nor are they Chairman of more than five committees in which they are members.

Number of Board Meetings

During 2008-09, the Board of Directors met nine times — on 19th May, 2008, 4th June, 2008, 10th July, 2008, 31st July, 2008, 17th October, 2008, 31st October, 2008, 12th December, 2008, 31st January, 2009 and 12th March, 2009. The gap between any two Board meetings did not exceed four months. Table 2 gives the details.

Table 2: Board Meeting Attendance Record of the Directors in 2008-09

Name of the Director	Number of meetings attended	Attended last AGM?
Mr. Rajat Lakhanpal	9	Yes
Mr. S.P. Agarwala	5	Yes
Mr. K. Ravichandra	2	No
Mr. Mukul Khandelwal	8	No
Mr. Ashish Bharat Ram	8	Yes
Mr. Kartikeya Bharat Ram	7	Yes
Mr. Amitav Virmani*	8	Yes
Mr. Dharendra Datta**	4	N.A.

*Co-opted as additional director w.e.f. 04.06.2008 and inducted as Member of Company's Audit Committee on the same date.

**Co-opted as additional director w.e.f. 17.10.2008.

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors.

Table 3: Remuneration Paid or Payable to Directors during 2008-09

Name of Director	Salary	Sitting fees for Board and Committee meetings*	Perquisites#	Deferred Benefits (PF and superannuation)@	Terminal Benefits	Total
Mr. Arun Bharat Ram**	-	6,000	-	-	-	6,000
Mr. S.P. Agarwala	-	16,000	-	-	-	16,000
Mr. Rajat Lakhanpal	6,71,998	-	2,50,660	74,880	-	9,97,538
Mr. K. Ravichandra	-	2,000	-	-	-	2,000
Mr. Vinod K. Kala***	-	1,000	-	-	-	1,000
Mr. Mukul Khandelwal	-	12,000	-	-	-	12,000
Mr. Ashish Bharat Ram	-	17,000	-	-	-	17,000
Mr. Kartikeya Bharat Ram	-	12,000	-	-	-	12,000
Mr. Amitav Virmani****	-	15,000	-	-	-	15,000
Mr. Dharendra Datta*****	-	5,000	-	-	-	5,000
Total	6,71,998	86,000	2,50,660	74,880	-	10,83,538

*Sitting fee paid for attending Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings, Shareholders/Investors Grievances and meetings of 'Committee of Directors- Financial Resources'.

**Mr. Arun Bharat Ram ceased to be Director w.e.f. 25.06.2008 due to resignation.

***Mr. Vinod K. Kala ceased to be Director w.e.f. 31.07.2008 due to resignation.

****Mr. Amitav Virmani has been co-opted as additional director w.e.f. 04.06.2008.

*****Mr. Dharendra Datta has been co-opted as additional director w.e.f. 17.10.2008.

#Value of perquisites on actual basis.

@Having regard to the fact that there is a global contribution to gratuity fund, the amount applicable to an individual is not ascertainable. None of the employees is related to any of the Directors.

Shareholding of non-executive Directors

As on 31 March 2009, none of the non-executive Directors hold any shares of the Company. The Company has not issued any convertible securities to any director.

Information Supplied to the Board

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

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the audit committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures

on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

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

In addition to the above, pursuant to the revised Clause 49, the minutes of the Board meetings of your company's unlisted subsidiary company and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company are also placed before the Board.

Code of Conduct

The Company's Board has laid down a code of conduct for all Board members and senior management of the company.

The code of conduct is available on the website of the company www.srfpolymers.com. All Board members and designated senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Whole-time Director & Company Secretary to this effect is given at the end of this report.

Risk Management

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

Committees of the Board

a) Audit Committee

As on 31 March 2009, the Audit Committee of SRF Polymers comprises of four Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956, as well as Clause 49 of the Listing Agreement.

During 2008-09, the Audit Committee of SRF Polymers met on four occasions — i.e., on 4th June, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009. Table 4 gives the attendance record of Directors who are members of the Audit Committee.

Table 4: Attendance Record of Audit Committee Meetings during 2008-09

Name of Director	Category	Number of meetings held under tenure	Number of meetings attended
Mr. S.P. Agarwala	Independent	4	2
Mr. Mukul Khandelwal	Independent	4	3
Mr. Amitav Virmani* (Chairman)	Independent	4	4
Mr. Dharendra Datta**	Independent	1	1

*inducted as member of the Audit Committee w.e.f. 04.06.08 and appointed as Chairman of the Committee.

**inducted as member of the Audit Committee w.e.f. 31.01.2009.

All the members of the Audit Committee are financially literate while Mr. Amitav Virmani, Chairman of the Audit committee is a holder of Master's degree in Business Administration from University of North Carolina and has experience in the area of marketing and general management. Mr. Rajat Lakhanpal, Whole time Director & Company Secretary, is the Secretary to the Committee.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies, Act 1956. These broadly include approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory and internal auditors, recommendation for appointment of statutory auditors and their remuneration.

In addition, the Committee also reviews:

- Management's Discussion and Analysis of Company's operations,
- Periodical internal audit reports
- Letters of statutory auditors to management on internal control weakness, if any,
- Statement of significant related party transactions,
- Financial statements, in particular, investments made by the subsidiary companies,
- Risk framework.

b) Remuneration Committee

As on 31 March 2009, Remuneration Committee comprised of four members three of whom were independent and one is non-executive promoter Director.

During 2008-09, the Remuneration Committee met once on 19th May, 2008. Table 5 gives the attendance record of Directors who are members of the Remuneration Committee.

Table 5: Attendance Record of Remuneration Committee Meetings during 2008-09

Name of Director	Category	Number of meetings held under tenure	Number of meetings attended
Mr. S.P. Agarwala (Chairman)	Independent	1	1
Mr. Ashish Bharat Ram*	Non-executive, promoter	Nil	Nil
Mr. Mukul Khandelwal	Independent	1	1
Mr. Amitav Virmani**	Independent	Nil	Nil

*inducted as member of the Remuneration Committee w.e.f. 10.07.2008.

**inducted as member of the Remuneration Committee w.e.f. 31.07.2008.

The terms of reference of Remuneration Committee is to recommend to the Board the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by the shareholders).

c) Shareholders'/Investors' Grievance Committee

As on 31 March 2009, SRF Polymers Shareholders'/Investors' Grievance Committee comprises of three members— one non- executive promoter Director and two non-executive Directors both of whom are independent Directors. Mr. Ashish Bharat Ram, Chairman of the Committee is a non-executive promoter Director. Mr. S.P. Agarwala and Mr. Amitav Virmani, members of the Committee are non-executive and independent Directors.

The terms of reference of the Committee are:

- To deal with and decide all matters relating to the registration of transfer and transmission of shares and debentures, issue of duplicate share certificates or allotment letters and certificates for debentures in lieu of those lost/misplaced.
- To redress shareholder and investors complaints, relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- To monitor the compliance of Code of Conduct for Prevention of Insider Trading framed by the Company.

Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary, is the Compliance Officer. To expedite the process of transfer, Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary was authorised by the Board on 31 January, 2005 to consider and approve the registration of transfer and transmission of shares upto a limit of 500 shares in any one case.

As on 31 March 2009, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 6 gives data on the shareholder/investor complaints received, and redressed, during the year 2008-09.

Table 6: Shareholder and Investor Complaints Received and Redressed during 2008-09

Total Complaints received	Total complaints redressed	Pending as on 31.03.2009
8	8	Nil

Management

Management Discussion and Analysis

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

Disclosure Requirements

- Disclosures on materially significant related party transactions are given in point no. 12 in the Notes to Accounts.
- The Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- The Company has complied with the regulations issued by SEBI and terms and conditions of Listing Agreement with the Stock Exchanges. At the time of delisting of the shares of the Company from Delhi Stock Exchange, a condonation fee of Rs. 5,000/- was paid for delayed submission of documents under Listing Agreement.

Table 8: Last three AGMs of the Company

Year	Location	Date	Time	No. of Special Resolutions passed
2006	Laxmipat Singhania Auditorium PHD House, 4/2, Siri Institutional Area August Kranti Marg New Delhi 16	31.07.2006	3.30 P.M.	None
2007	Shriram Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	31.07.2007	3.30 P.M.	None
2008	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	29.08.2008	11.00 A.M.	One

Postal Ballot

During the year the following resolutions were passed on 4th December, 2008 by the Company's members through postal ballot:

- Ordinary Resolution** – Sale of Substantially the whole of the Undertaking of the Company

Details of Voting Pattern

Particulars	No. of Ballots	No. of Shares	%
Assent for the resolution	127	4805975	99.99
Dissent for the resolution	2	60	0.01
Invalid ballots	14	782	0.01

- In compliance with the SEBI regulations on prevention of insider trading, the Company has laid down a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations.

Shareholders

Reappointment/Appointment of Directors

Mr. K.Ravichandra and Mr. Mukul Khandelwal, Directors are retiring by rotation and being eligible, offer themselves for re-appointment. During the year, Mr. Dharendra Datta has been appointed as an additional Director and it is proposed to appoint him as a regular Director of the Company. Brief resumes of these Directors are given in the Notice of the 9th Annual General Meeting.

Means of Communication with Shareholders

Quarterly and annual results of SRF Polymers are published in two national dailies, generally The Pioneer (in English) and Veer Arjun (in Hindi). In addition, these results are posted on the website of the Company, whose address is www.srfpolymers.com. The website also contains other public domain information regarding SRF Polymers.

During 2008-09, SRF Polymers has not made any formal presentations to institutional investors or analysts. As and when it does, the presentations will also be posted on the Company's website.

Further, the Company has also been complying with SEBI regulations for filing of its financial results under the EDIFAR system. These are available on the SEBI web-site www.sebiedifar.nic.in.

Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 8.

- Special Resolution** – Amendment of Other Objects Clause of the Memorandum of Association

Details of Voting Pattern

Particulars Ballots	No. of Shares	No. of	%
Assent for the resolution	126	4805593	99.99
Dissent for the resolution	4	477	0.01
Invalid ballots	13	747	0.01



3) Special Resolution – Commencement of New Business

Details of Voting Pattern

Particulars	No. of Ballots	No. of Shares	%
Assent for the resolution	126	4805584	99.99
Dissent for the resolution	5	508	0.01
Invalid ballots	12	725	0.01

Mr. S. Anand S.S. Rao, Practising Company Secretary, Hyderabad, conducted the Postal Ballot.

The Company has complied with the procedures for Postal Ballot in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and amendments thereto.

Compliance

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49.

Adoption of Non-Mandatory Requirements

A Remuneration Committee has been constituted in accordance with the requirements of the Listing Agreement. The Committee decides the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by the shareholders).

Additional Shareholder Information

9th Annual General Meeting

Date 25th September, 2009
Time 11.00 AM.
Venue Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110 016

Tentative Financial Calendar for Results, 2009-10

First Quarter Fourth week of July 2009
Second Quarter Second week of October 2009
Third Quarter Second week of January 2009
Fourth Quarter and Annual Third week of May 2010

Book Closure Date

The Share Transfer Register of SRF Polymers will remain closed from Tuesday, 8th September, 2009 to Tuesday, 15th September, 2009 (both days inclusive).

Listing on Stock Exchanges in India

The shares of SRF POLYMERS are listed on Bombay Stock Exchange Ltd. (Stock Code: 532468). The Company has paid the listing fees to Bombay Stock Exchange for the year 2009-10.

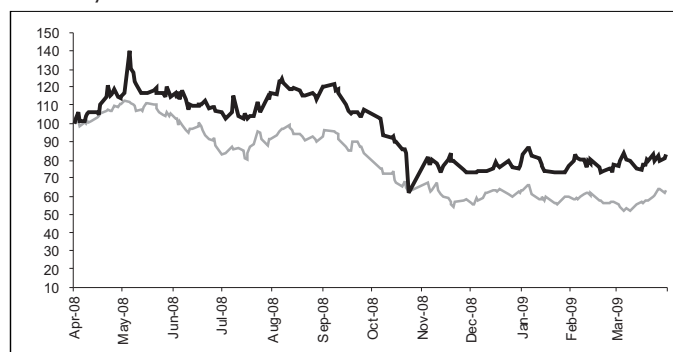
Stock Market Data

Table 9 gives the monthly high and low quotations as well as the volume of shares traded at BSE during 2008-09.

Table 9: Monthly Highs and Lows and Volumes Traded at the BSE, 2008-09

Month	BSE		
	High(Rs.)	Low (Rs.)	Volume (Nos.)
April	170.00	137.00	21,131
May	199.90	143.60	30,809
June	180.00	145.25	8,495
July	159.90	130.10	15,961
August	171.00	150.00	8,663
September	169.80	136.00	8,886
October	141.00	115.00	16,913
November	119.00	99.80	47,499
December	108.80	100.00	8,912
January	124.00	100.20	5,271
February	115.20	100.60	7,636
March	114.55	100.30	8,693

Chart 1: Share prices of SRF Polymers Ltd. versus BSE Sensex for the year ended 31 March 2009



Note: Both Sensex and SRF Polymers share prices are indexed to 100 as on 1 April 2008

Registrar and Share Transfer Agents

M/s Karvy Computershare Private Ltd., Hyderabad are the Registrar and Share Transfer Agent of the Company w.e.f. 1st October, 2008, for handling both electronic and physical shares.

Share Transfer System in Physical Mode

Share certificates sent for transfer are received at the Registered Office of the Company or the office of Karvy Computershare Pvt. Ltd. All valid transfer requests are processed. To expedite the process of share transfer, Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary has been authorised to consider and approve the registration of transfer and transmission of shares/debentures upto a limit of 500 shares/debentures in any one case. For the shares above 500 cases, the Shareholders'/ Investors' Grievances Committee meets to approve valid transfer requests. After transfer, the physical shares are sent to the shareholders. The total number of shares transferred in physical form during the period from 1 April 2008 to 31 March 2009 was 999.

Depository System

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

- Shareholder submits the shares certificate along with Dematerialisation Request Form (DRF) to Depository Participant (DP).

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

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

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that shareholders

who have shares in physical form get their shares dematerialised.

Dematerialisation of shares as on 31 March 2009

There were 4,910 shareholders holding 63,22,383 shares in electronic form. This constitutes 97.98% of the total paid-up share capital of the Company.

Distribution of shareholding as on 31 March 2009*

Table 10 gives the distribution of shares according to shareholding class, while Table 11 gives the distribution of shareholding by ownership.

Table 10: Pattern of shareholding by share class as on 31 March, 2009

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Upto 500	7507	97.37	4,52,175	7.01
501 – 1000	90	1.17	67,136	1.04
1001-2000	55	0.71	83,967	1.30
2001-3000	23	0.30	57,709	0.89
3001-4000	7	0.09	24,834	0.39
4001-5000	10	0.13	47,153	0.73
5001-10000	8	0.10	52,225	0.81
10000 and above	10	0.13	56,67,416	87.83
Total	7710	100.00	64,52,615	100.00

*including holdings by NSDL and CDSL

Table 11: Pattern of shareholding by ownership as on 31 March, 2009

Category	Shareholding	
	Number of shares held	Shareholding %
Promoters	47,98,256	74.36
Mutual Funds & UTI	909	0.01
Banks, Financial Institutions, Insurance Companies	24,810	0.38
Central Government/State Government(s)	150	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	3,72,067	5.77
Indian Public	8,29,179	12.85
NRIs / OCBs	4,22,760	6.56
Other (including shares in transit)	4484	0.07
Total	64,52,615	100.00

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

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

Address for Correspondence

Company

Rajat Lakhanpal
Whole-time Director & Company Secretary
SRF Polymers Limited
Block C, Sector 45, Gurgaon
Haryana – 122 003
Tel No. +91 0124-4354400, Fax No: +91 0124-4354500
e-mail: rlakhanpal@srf.com

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.

Plot No. 17 to 24, Vittalrao Nagar
Madhapur
Hyderabad - 500 081
Tele No.: 91-4023420818, Fax: 91-040-23420814
Email: mailmanager@karvy.com

Declaration regarding Code of Conduct

I, Rajat Lakhanpal, Whole Time Director & Company Secretary of SRF Polymers Limited declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31st March, 2009.

Place: New Delhi
Date: 18th June, 2009

For and on behalf of the Board of Directors
Rajat Lakhanpal
Whole Time Director & Company Secretary



AUDITORS' REPORT

To The Members of SRF POLYMERS LIMITED

We have audited the attached balance sheet of SRF Polymers Ltd., as at 31st March 2009, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto.

Responsibilities of management

These financial statements are the responsibility of the company's management.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from

being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- (vi) We understand that pursuant to the sale of its manufacturing units, the company is examining the possibility of obtaining registration as non-banking financial company.
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2009;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

Place: New Delhi
Date: 18th June, 2009

V. Rajaraman
Partner
M.No.2705

The Annexure referred to in the main Auditors' Report of even date:

The company is not carrying on the business of chit fund, nidhi, or mutual benefit, or dealing or trading in shares/securities, hence the clauses applicable to these businesses have not been considered below.

Fixed Assets

1. a. The company has maintained proper record showing full particulars including quantitative details and situation of its fixed assets. However in respect of certain fixed assets like furniture & fixtures, office equipment and data processing equipment record in terms of values are only kept.
- b. The company has a regular program of verifying all the assets over a period of three years which in our opinion is reasonable having regard to the size of the company and the nature of the assets.
2. During the year the company has disposed off substantial part of its fixed assets pertaining to the manufacturing units of the company refer note no. 4 of Schedule 19.

Inventories

3. The company has no inventory at the end of the year consequent to the slump sale of its manufacturing units

as mentioned in note no. 4 of schedule 19. However during the period, the manufacturing activities were carried on.

- The Stock of finished goods, stores, spare parts and raw materials was physically verified by the management at reasonable intervals.
- The procedures of physical verification of stocks followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- The company had maintained proper records of inventory showing full details regarding quantity of receipts, issues, balances and dates of transactions. The discrepancies, noticed on the aforesaid verification, between the physical stocks and stocks as per the books were properly dealt with in the books of account.

Transactions with parties u/s 301 of the Companies Act, 1956

- The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- There are no contracts or arrangements that were required to be entered into the register in pursuance of section 301 of the Act.

Loans, Advances and Guarantees

- The company has taken loans from banks and others. The terms and conditions on which these have been taken are not prima facie prejudicial to the interest of the company.
 - The payment of principal and interest are regular in respect of all such loans taken.
 - In view of what is stated in (a) & (b) above, there are no overdue amounts. The company has pledged its shares of SRF Ltd., for loans taken by SRF Polymers Investments Ltd, its wholly owned subsidiary.
- The company has not issued any debenture.
- The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- The company has stood guarantee for loans taken by SRF Polymers Investments Ltd, its wholly owned subsidiary, from banks or financial institutions.
- The term loans taken by the company have been applied for the purpose for which they were obtained.
- The funds raised on short-term basis from the banks have not been used for long-term investment and vice versa.

Internal Control

- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business.
- There are no continuing failures to correct matters in respect of lack of adequacy of internal controls brought, to notice.

- The company has an adequate internal audit system commensurate with its size and nature of its business.

Fixed Deposit

- In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58 AA or any other relevant provisions of the Companies Act 1956 the companies (Acceptance of Deposits) Rules, 1975 and directives issued by Reserve Bank of India with regard to the deposits accepted from the public.

Cost Records

- During the last quarter the company has disposed off its manufacturing units however, we have, broadly, reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records as prescribed under Section 209(1)(d) of the Companies Act, 1956 for the period during which such records were to be maintained and are of the opinion that prima facie, the prescribed accounts and records were maintained. We had, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

Statutory Dues

- According to the records of the company, undisputed dues including provident fund, Investors education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues have generally been regularly deposited with the concerned authorities.
- Details of dues of disputed income tax after adjusting refunds due is given below.

Name of Statute	Forum where case is pending	Nature of dues	Period of dispute	Amount (in Rs. Lacs)
Income Tax Act, 1961	CIT (Appeals)	Income Tax	AY 2006-07	98.04
			TOTAL	98.04

OTHERS

- The company has no accumulated losses at the end of the financial year. The company has not incurred cash losses in the current financial year, though there was a cash loss in the immediately preceding financial year.
- The company has not issued any fresh share capital and hence the question of neither the preferential allotment nor the end use thereof arises.
- No fraud on or by the company has been noticed or reported during the year.

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

Place: New Delhi
Date: 18th June, 2009

V. Rajaraman
Partner
M.No.2705



BALANCE SHEET

AS AT 31ST MARCH 2009

		AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
SOURCES OF FUNDS	Schedule		
Shareholders' Funds			
Share Capital	1	645.26	645.26
Reserves & Surplus	2	7609.75	5569.37
		<u>8255.01</u>	<u>6214.63</u>
Loan Funds			
Secured Loans	3	1105.00	8165.73
Unsecured Loans	4	1746.49	4906.44
		<u>2851.49</u>	<u>13072.17</u>
TOTAL		<u>11106.50</u>	<u>19286.80</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	19.84	10256.82
Less: Depreciation		18.26	1993.67
Net Block		<u>1.58</u>	<u>8263.15</u>
Capital Work-in-Progress		-	-
		<u>1.58</u>	<u>8263.15</u>
Investments	7	7869.10	7869.10
Deferred Tax Assets	5	-	813.68
Current Assets, Loans & Advances			
Inventories	8	-	3,182.68
Sundry Debtors	9	-	1,306.71
Cash and Bank balances	10	258.06	309.55
Loans and Advances	11	3601.87	2664.86
		<u>3859.93</u>	<u>7463.80</u>
Less: Current Liabilities & Provisions			
Current Liabilities	12	607.64	5089.99
Provisions	13	16.47	32.94
		<u>624.11</u>	<u>5122.93</u>
Net Current Asset		<u>3235.82</u>	<u>2340.87</u>
TOTAL		<u>11106.50</u>	<u>19286.80</u>
Notes to Accounts	19		
Schedules 1 to 13 and 19 form an integral part of the Balance Sheet			

As per our report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

V. Rajaraman
Partner
M.NO-2705

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

Place: New Delhi
Date: 18th June, 2009

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	Year Ended 31.03.09 Rs/Lakhs	Year Ended 31.03.08 Rs/Lakhs
INCOME			
Gross Sales		11856.42	17367.21
Less: Excise Duty		528.88	1049.30
Net Sales		11327.54	16317.91
Other Income	14	6368.97	655.35
Total Income		17696.51	16973.26
EXPENDITURE			
Raw material consumed	15	8271.24	12516.11
(Increase) \ Decrease in Stock (Sold)	16	411.11	515.31
Manufacturing & Other Expenses	17	3797.86	4115.37
Interest and Finance Charges	18	1521.49	1240.73
Depreciation		470.23	474.94
TOTAL		14471.93	18862.46
Total Expenditure		14471.93	18862.46
Profit before Taxation (Includes Extra Ordinary Income Rs 1583.63 Lacs)		3224.58	(1889.20)
Less: Provision for Taxation		395.16	10.00
Less: Net Deferred Tax Assets Written off		813.68	(517.71)
Less: Taxes Paid/(Refund) for earlier years		(24.64)	17.83
Profit after Taxation		2040.38	(1399.32)
The composition of the above profit after tax is as under:			
Profit/(Loss) from continuing operation before tax (Refer note 4 & 5 of Schedule 19)		(513.39)	(424.85)
Income tax including FBT			
Net Profit/(Loss) from continuing operation after tax		(513.39)	(424.85)
Profit/(Loss) from discontinuing operation before tax (Refer note 4 & 5 of Schedule 19)		(96.88)	(1,464.36)
Current tax including FBT		380.84	(489.88)
Net Profit/(Loss) from discontinuing operation after tax		(477.72)	(974.48)
Profit/(Loss) from Transfer of Business operation before tax (Net) (Refer note 4 & 5 of Schedule 19)		3834.85	-
Current tax (Capital Gain)		803.36	-
Net Profit/(Loss) from Transfer of Business operation after tax		3031.49	-
Profit Available For Appropriation		2040.38	(1399.32)
Add: Profit Brought Forward		684.39	2083.71
Less: Equity Dividend		-	-
Tax on Dividends		-	-
Transfer to General Reserve		-	-
PROFIT CARRIED TO BALANCE SHEET		2724.77	684.39
Basic and Diluted EPS (in Rupees) (Ref note no 13)		31.62	(21.69)
Notes to Accounts	19		
Schedules 14 to 19 form an integral part of the Profit and Loss Account.			

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

V. Rajaraman
Partner
M.NO-2705

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

Place: New Delhi

Date: 18th June, 2009

SCHEDULES

SCHEDULE 1: SHARE CAPITAL		AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
AUTHORISED			
1,00,00,000 (Previous Year 1,00,00,000) Equity Shares of Rs.10 each		1000.00	1000.00
50,00,000 (Previous Year 50,00,000) Preference Shares of Rs.10 each		500.00	500.00
		1500.00	1500.00
ISSUED, SUBSCRIBED & PAID UP			
64,52,615(Previous year 64,52,615) Equity Shares of Rs.10 each fully paid up		645.26	645.26
		645.26	645.26
SCHEDULE 2: RESERVES AND SURPLUS			(Rs/Lakhs)
	OPENING BALANCE AS AT 01.04.08	ADDITIONS DURING THE YEAR	WITHDRAWALS DURING THE YEAR
General reserve	4884.98	-	-
Profit & Loss account	684.39	2040.38	-
Total	5569.37	2040.38	-
PREVIOUS YEAR	6968.66	(1399.29)	5569.37
SCHEDULE 3: SECURED LOANS		AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
Long Term Loans From Banks		-	5210.00
Short term Loans from Banks		-	1915.73
Short term Loans from Others		1105.00	1040.00
		1105.00	8165.73
SCHEDULE 4: UNSECURED LOANS			
Short Term From Banks		-	1301.58
Short Term From Others		380.00	2170.00
Fixed deposits		1366.49	1434.86
		1746.49	4906.44
SCHEDULE 5: DEFERRED TAX LIABILITY /(ASSET)			
Deferred Tax Liability		-	423.29
Less :Deferred Tax Asset		-	1236.97
		-	(813.68)

SCHEDULE 6: FIXED ASSETS											Rs Lacs	
DESCRIPTION	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	AS AT 01.04.08	Additions*	Deletions	Transfers pursuant to Sale of Business**	AS AT 31.03.09	AS AT 01.04.08	For The Year	Withdrawal	Transfers pursuant to Sale of Business**	AS AT 31.03.09	AS AT 31.03.09	AS AT 31.03.08
Freehold Land	12.18	-	-	12.18	-	-	-	-	-	-	-	12.18
Leasehold Land	127.69	-	-	127.69	-	-	-	-	-	-	-	127.69
Road	46.56	-	-	46.56	-	0.25	0.57	-	0.83	-	-	46.31
Buildings	1,857.94	-	-	1,857.94	-	86.75	46.70	-	133.46	-	-	1,771.19
Plant & Machinery	7,862.72	7.97	-	7,870.69	-	1,732.80	366.50	-	2,099.29	-	-	6,129.92
Furniture & Fixture, Office Equipments etc.	209.02	6.17	-	200.52	14.67	90.75	25.82	-	102.81	13.76	0.92	118.27
Vehicles	62.30	13.98	9.01	62.10	5.17	30.86	9.14	4.76	30.74	4.50	0.66	31.44
Intangibles	78.41	-	-	78.41	-	52.26	21.50	-	73.77	-	-	26.13
TOTAL	10256.82	28.12	9.01	10256.09	19.84	1993.67	470.23	4.76	2440.90	18.26	1.58	8263.13
Previous Year	3752.94	6522.66	18.78	-	10256.82	1526.21	474.94	7.48	-	1993.67	8263.15	2226.73

* Includes interest Capitalization of Rs NIL (Previous year Rs 371.93 Lacs).

** Refer note no. 4 & 5 of Schedule 19.

	AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
SCHEDULE 7: INVESTMENTS		
Long Term Non-trade (at cost)		
-quoted*	3665.09	3665.09
-unquoted (In subsidiary)	4204.01	4204.01
	<u>7869.10</u>	<u>7869.10</u>
*Market value of quoted investments Rs 7,947.72 Lacs (Previous Year Rs 10859.37 Lacs)		
SCHEDULE 8: INVENTORIES		
Raw Material	-	1357.34
Stores & spares	-	217.19
Finished Goods	-	1182.58
Stock-in-Process	-	425.57
	<u>-</u>	<u>3182.68</u>
SCHEDULE 9: SUNDRY DEBTORS		
Unsecured considered good for recovery by the Management (unless otherwise stated)		
Debts over six months		
Considered good	-	23.61
Considered doubtful	-	314.94
Other debts		
Considered good	-	1283.10
Less: Provision for doubtful debts	-	314.94
	<u>-</u>	<u>1306.71</u>
SCHEDULE 10: CASH AND BANK BALANCES		
Cash on hand	0.15	2.04
Balances with Scheduled Banks		
Current Accounts	14.38	70.98
Unclaimed Dividend	2.38	2.42
Fixed Deposit (*)	241.15	234.11
	<u>258.06</u>	<u>309.55</u>
*Also includes deposits earmarked Under Rule 3 A of the Companies (Acceptance of Deposits) Rules, 1975 amounting of Rs 239.81 Lacs (Previous Year Rs 225.00 Lacs) was made on 28th April 08 with in the due date of 27th April 09.		
SCHEDULE 11: LOANS AND ADVANCES		
Unsecured considered good for recovery by the management (unless otherwise stated)		
Loans to Subsidiaries (Interest Free)	2920.00	-
Advances recoverable in cash or in 'kind or for value to be received		
Considered good	445.21	1987.11
Considered doubtful	-	43.84
Sub total	<u>3365.21</u>	<u>2030.95</u>
Less: Provision for doubtful advances	-	43.84
Sub total	<u>3365.21</u>	<u>1987.11</u>
Deposit with Excise and Customs	-	206.91
Other Deposits	-	30.72
Advance Tax (Net of Provision)	236.66	200.64
Claims Recoverable	-	66.79
Cenvat / Service Tax / VAT recoverable	-	172.69
	<u>3601.87</u>	<u>2664.86</u>

SCHEDULE 12: CURRENT LIABILITIES

	AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
Acceptances	-	1345.19
Sundry creditors:		
Dues to MSME'S	-	-
Dues to others	483.15	3546.55
Security Deposits	-	31.59
Unclaimed Dividends*	2.38	2.42
Unclaimed Fixed Deposits (Including Interest)*	23.62	36.34
Interest accrued but not due on loans & deposits	98.48	127.90

*Will be credited to Investor Education and Protection Fund if not claimed within seven years from the issue of dividend/interest warrant/maturity of Fixed Deposits. No interest have accrued on them.

SCHEDULE 13: PROVISIONS

Provsion for leave encashment	16.47	32.94
Proposed Dividends	-	-
	<u>16.47</u>	<u>32.94</u>

SCHEDULE 14: OTHER INCOME

	Year Ended 31.03.09 Rs/Lakhs	Year Ended 31.03.08 Rs/Lakhs
Claims	32.66	-
Dividend on shares / Units (Non-Trade)	754.87	539.19
Exchange currency fluctuation (Net)	-	59.94
Provisions no longer required*	1,584.08	-
Scrap sales	83.13	21.58
Profit on Sale of fixed assets	-	-
Profit on Slump Sale of Businesses (Net)	3,834.85	-
Interest		
From Customers	-	-
On Loans & Deposits**	23.86	18.85
Others***	16.56	13.28
Others	38.94	2.51
	<u>6368.97</u>	<u>655.35</u>

*Includes Write back of Rs 1583.63 Lacs pertaining to excise duty liability

**Includes Income-tax deducted at source Rs 6.41 Lacs (Previous Year 7.52 Lacs)

***Includes interest on delayed refund of income tax Rs 15.77 Lacs (Previous Year Rs 12.95 Lacs)

SCHEDULE 15: RAW MATERIALS CONSUMED

Opening stock of Raw Material	1357.34	1674.02
Add: Purchases of Raw Materials	8512.68	12199.43
Sub Total	<u>9870.02</u>	<u>13873.45</u>
Less: Transfer of Raw Material pursuant to Sales of Businesses	1598.78	-
Closing Stock of Raw Material	-	1357.34
Raw Materials consumed*	<u>8271.24</u>	<u>12516.11</u>

*Includes Prior period expenditure NIL (Previous Year Rs 37.77 lacs)

SCHEDULE 16: (INCREASE) \ DECREASE IN STOCK

Opening Stock: Work in progress	425.57	583.43
Finished goods	1182.58	1540.03
	<u>1608.15</u>	<u>2123.46</u>
Less: Transfer of Raw Material pursuant to Sales of Businesses		
Work in progress	310.18	-
Finished goods	886.86	-
Sub Total	<u>1197.04</u>	<u>-</u>
Closing Stock: Work in progress	-	425.57
Finished goods	-	1182.58
Total	<u>-</u>	<u>1608.15</u>
(Increase) \ Decrease in Stock	<u>411.11</u>	<u>515.31</u>

SCHEDULE 17: MANUFACTURING & OTHER EXPENSES

	Year Ended 31.03.09 Rs/Lakhs	Year Ended 31.03.08 Rs/Lakhs
Stores & Spares Consumed	87.66	121.16
Power & Fuel	644.35	679.41
Rent	81.81	70.51
Repairs & Maintenance		
Buildings	0.42	0.61
Plant & Machinery #	107.09	334.00
Other Maintenance	95.00	56.24
Freight #	271.05	476.75
Salaries, Wages, Bonus, etc.	399.05	451.92
Contribution to PF and other Funds	33.74	41.99
Workmen & Staff Welfare Expenses	43.23	52.54
Insurance	14.24	24.61
Rates & Taxes	43.77	88.58
Contract Conversion Charges	876.07	1211.28
Travel	56.35	78.53
Telephone	28.79	42.16
Legal and professional charges	33.52	17.41
Auditors Remuneration & Expenses		
Audit Fee	3.50	3.50
Interim audit fee	2.25	1.50
Tax Matters	1.50	1.50
Certification Work	1.33	1.73
Directors Sitting Fees	0.86	0.60
Selling Commission	25.82	2.07
Discount Stockist	-	34.09
Exchange currency fluctuation	314.39	-
Management Expenses Reimbursed to SRF	15.00	20.00
Miscellaneous Expenses*@	617.08	302.68
	<u>3797.86</u>	<u>4115.37</u>

*Includes Provision for Doubtful Debts and Advances Rs 60.93 Lacs
(Previous Year Rs 78.41 Lacs)

@Includes Prior period expenditure Rs 388.11 Lacs (Previous Year NIL)

#Includes prior period expenditure NIL (Previous Year Rs 11.50 Lacs
on Freight on sales & Rs 2.54 Lacs on repair & maintenance)

SCHEDULE 18: INTEREST & FINANCE CHARGES

INTEREST COST

Term Loans & Fixed Deposit	499.69	221.47
Cash Credit & Others	861.00	789.54
Financial Charges	160.80	229.72
	<u>1521.49</u>	<u>1240.73</u>

SCHEDULE 19: NOTES TO THE ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS.

The financial statements have been prepared on the historical cost convention basis. The generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of the Companies Act 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI of the Companies Act 1956 and the Indian Accounting Standards.

2. FIXED ASSETS

Gross block of fixed assets have been stated at their original cost. Cost Includes interest on borrowings up to the date of putting the assets to use.

3. EXPENDITURE DURING CONSTRUCTION

In respect of substantial expansion of businesses at existing locations only direct costs are capitalised together with interest on the funds relatable to them upto the date of commercial production.

4. DEPRECIATION

4.1 Depreciation is provided on Fixed assets with reference to their historical cost (exclusive of leviable Customs/ Excise duty).

4.2 Depreciation is provided on:

- a. All assets (*including plant and machinery) costing less than Rs.5,000/- for the full value thereof.
*Provided such assets are less than 10% of the aggregate value of plant and machinery in each division.
- b. Furniture & Fixtures, Office Equipments, Data Processing Equipment, and Vehicles on Straight-line method at rates based upon life determined by the management which are lower than the life determined based on the rates specified in Schedule XIV to the Companies Act, 1956.
The depreciation rates based on useful life as estimated by the management varies between 1.63 % to 31.66 %.
- c. Roads, Buildings and Plant & Machinery on straight-line basis at rates based on useful life determined by management or at rates specified in Schedule XIV on the historical cost, whichever, amount of depreciation is higher.

4.3 In case where plants are inter-dependent for production of final end-product the management has identified Cash Generating Units (CGU) as a product line. Where there is no inter-dependency, individual plant is to be recognized as CGU.

Where the carrying amount of a CGU is more than the higher of its Net Realisable Value or Value In use, the loss is recognized in profit & loss account. The loss so recognized is distributed amongst the various items of assets, which in the opinion of management have impaired, in proportion to the carrying amount of the amounts concerned. Unserviceable assets on physical verification is written off/provided for.

5. AMORTISATION

No expenditure is treated as Deferred Revenue.

6. FOREIGN CURRENCY TRANSACTION: TRANSLATION AND CONVERSION

- a. Transaction in foreign currencies is recorded at the rate prevalent on the date of transactions.
- b. All Foreign Currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of Balance Sheet or at the contracted rate, and the difference taken to Profit & Loss account as Exchange Fluctuation loss or gain.
- c. The company discloses the open and hedged foreign exchange exposure as note to the accounts.

7. RESEARCH AND DEVELOPMENT

Revenue expenditure on Research & Development are included under the natural heads of expenditure. Capital expenditure on Research & Development are treated in the same manner as expenditure on other Fixed assets.

8. VALUATION OF INVENTORY

- a. Closing stock of finished goods is valued at the lower of cost or estimated realisable value. For this purpose, cost is being reckoned as full cost (exclusive of interest and administrative overheads) net of Excise Duty and includes excise duty on the finished goods where applicable.
- b. Closing stock of work-in-progress is valued at the lower of the cost or estimated realisable value; for this purpose cost does not include Excise duty.
- c. Inventory of raw material is valued at weighted average cost or net realisable value whichever is lower; cost being net of Excise duty.
Reprocessible waste, grouped under raw material, is valued at nominal rate.
- d. Inventory of Stores and spares is valued at cost, exclusive of Excise duty.
- e. In respect of slow moving inventories the diminution in value is provided and shown net of the inventory concerned.

9. INVESTMENTS

- a. Long term quoted investments are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.
- b. Unquoted investment in subsidiaries being of long term nature are valued at cost and no loss is recognized in the fall in their net worth, if any, unless there is permanent fall in their value.

10. RETIREMENT BENEFITS

Retirement benefits have been recognized in accordance with Revised AS-15. Accordingly:-

- a. The retirement benefit for encashment of leave salary is fully provided for on actuarial basis.

- b. The liability on account of provident fund in respect of officers is met by contribution to “SRF officers provident fund trust” in which SRF Polymers Limited is a participating company and for others by contribution to respective Regional Provident Fund commissioner. Contributions for Employees Pension Scheme in respect of all employees are deposited with respective Regional Provident Fund Commissioner.
- c. The contribution to superannuation fund is accounted at specified rate and payment are made to separate trusts. Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by law.
- d. Company provides for gratuity, a defined benefit retirement plan (the “Gratuity Plan”) covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the SRF Polymers Employees Gratuity Trust (the “Trust”) and SRF Polymers Officers Gratuity Trust (the “Trust”). Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by law.

11. CONTINGENT LIABILITY

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims not acknowledged as debt, are disclosed by way of note.

12. REVENUE RECOGNITION

- a. Sales are inclusive of excise duty and net of trade discounts. Export sales include goods invoiced against confirmed orders and cleared from excise and customs authorities.
- b. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment-realisation of income such as interest from customers (including the financial condition of the person from whom the same is to be realised), the same is not accounted for.
- c. Interim dividend income from investments is recognized in the Profit and Loss account on cash basis.

13. TAXATION

- a. Tax provision is made, in accordance with the Income Tax Act 1961 including the provisions regarding Minimum Alternate Tax and the contentions of the Company and also the fact that certain expenditure becoming allowable on payment being made before filing of the return of income.
- b. Deferred tax assets and liabilities are accounted for on the basis of Accounting Standard AS-22. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

14. BORROWING COST

Borrowing cost (including difference in exchange rate on the principal to the extent it represents interest cost) attributable to the acquisition or construction of qualifying assets is capitalized as a part of the cost of those assets. Other borrowing costs are recognized as an expense in the period to which they relate.

15. EARNING PER SHARE

The earnings considered in ascertaining the Company’s Earnings per Share (‘EPS’) comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

B) NOTES

1. Details for Securities (refer Schedule No. 3 “Secured Loans to the financials):

The borrowings of the company are secured against the assets of the company as indicated below:

Sl No	Loan	Outstanding Amount(Rs lakhs)	Security
Short term from Others			
1	SRF Employees Welfare Co. Ltd.	1105.00	Pledge of 21,00,000 fully paid up equity shares of Rs.10 each of SRF Polymers Investments Ltd, which is wholly owned subsidiary of the Company.
	Total	1105.00	

2. Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs. Nil (Previous year Rs. 44.23 lakhs).

3. Contingent Liabilities

a) Claims against the Company not acknowledged as debts on account of:

(Rs. Lakhs)

	31-03-09	31-03-08
Income Tax	279.98	52.55

The Company has been advised that its contentions in the matter of disputed demands are legally tenable and hence the possibility of these maturing is remote.

- b) As per Business Transfer Agreement with SRF Limited, the Company has given representations and warranties for the liabilities of Rs. 1821.93 lakhs (Previous Year - Rs. Nil) and Rs. 28.10 lakhs (Previous Year - Rs. Nil) respectively towards Excise Duty and Sales tax.
- c) Guarantees provided on behalf of wholly-owned subsidiary SRF Polymers Investment Ltd. for repayment of loans and interest thereon amount to Rs. 8401 lakhs (Previous Year Rs. 13971 lakhs). The Company has also pledged 66,70,795 shares (Previous Year 98,85,795 Shares) of SRF Ltd. for loan facilities provided to the said wholly-owned subsidiary.
- d) The Company has given a surety of Rs. 5.00 lakhs (Previous year Rs. 5.00 lakhs) on behalf of SRF Ltd. to Delhi Sales tax authorities.
4. The Company has sold the Engineering Plastics Business and Industrial Yarn Business divisions to SRF Limited on a going concern and slump sale basis with effect from January 1, 2009 under a Business Transfer Agreement (BTA) at a consideration of Rs. 15031.26 lakhs.

Particulars	Rs. in lakhs
Net Sales consideration received	15031.26
A: Carrying amount of Fixed Assets & Capital Work in Progress	7859.49
B: Carrying amount of Net current assets	3323.40
C: Total assets (A+B)	11182.89
Profit on Sale of the businesses	3848.37
Less: Business Valuation expenses	13.52
Net Profit on sale of businesses	3834.85

The Company had entered into Non-Compete Agreements whereby the Company had inter-alia agreed not to engage, directly or indirectly, in the manufacturing and selling thereof as would compete with SRF Limited in respect of Engineering Plastics and Industrial Yarn, in any country of the world for a period of 5 years from the date of the Business Transfer Agreement i.e. January 1, 2009.

Also refer to the note no. 3(b) regarding contingent liabilities

5. AS-24 Discontinued Operations (Engineering Plastics and Industrial Yarn business)

i) The following statement shows the revenues and expenses and assets and liabilities of the continuing and discontinuing operations:-

Particulars	Continuing Operations		*Discontinuing Operations		Total	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Gross Sales	-	-	11,856.42	17,367.21	11,856.42	17,367.21
Less: Excise Duty	-	-	528.88	1,049.30	528.88	1,049.30
Net Sales	-	-	11,327.54	16,317.91	11,327.54	16,317.91
Other Income	808.48	502.56	142.01	152.79	950.49	655.35
Total Income	808.48	502.56	11,469.55	16,470.70	12,278.03	16,973.26
Raw material consumed	-	-	8,271.24	12,516.11	8,271.24	12,516.11
(Increase)/decrease in Stock	-	-	411.11	515.31	411.11	515.31
Manufacturing and other Expenses	54.00	46.49	3,743.86	4,068.88	3,797.86	4,115.37

Particulars	Continuing Operations		*Discontinuing Operations		Total	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Interest and Finance charges	1,266.83	879.91	254.66	360.82	1,521.49	1,240.73
Depreciation	1.03	1.00	469.20	473.94	470.23	474.94
Total Expenditure	1,321.86	927.40	13150.07	17,935.06	14,471.93	18,862.47
Profit/(loss) before exceptional items and tax	(513.38)	(424.85)	(1,680.52)	(1,464.36)	(2,193.90)	(1,889.21)
Exceptional Item						
Profit on transfer of Engineering Plastics and Industrial Yarn businesses	-	-	3,834.85	-	3,834.85	0.00
Provision no longer required	-	-	1,583.63	-	1,583.63	0.00
Profit/(loss) before tax	(513.38)	(424.85)	3,737.96	(1,464.36)	3,224.58	(1,889.21)
Provision for tax						
Current tax including Fringe Benefit Tax	-	-	395.16	10.00	395.16	10.00
Deferred Tax Reversal/(Asset)	-	-	813.68	(517.71)	813.68	(517.71)
Taxes of Earlier Years	-	-	(24.64)	17.83	(24.64)	17.83
Profit/(loss) after tax	(513.38)		2,553.76	(974.48)	2,040.38	(1,399.33)
Assets	11,730.61	9,144.22	-	15,265.50	11,730.61	24,409.73
Liabilities	11,730.61	9,144.22	-	15,265.50	11,730.61	24,409.73

*The above excludes the transactions for the period 1 January, 2009 to 15 February, 2009 which were initially recorded in the company's books and later on transferred to SRF Limited on whose behalf the transactions were carried out.

Particulars	Amt/Rs. lakhs
Net Sales	1077.09
Other Income	7.90
Total Income	1084.99
Raw material consumed	1102.05
(Increase)/decrease in Stock	89.76
Manufacturing and other Expenses	178.06
Interest and Finance charges	11.05
Depreciation	71.64
Profit before Tax	(367.57)

ii) The following statement discloses the net cash flows from operating, investing and financing activities of the continuing and discontinuing operations:

Particulars	Continuing Operations		Discontinuing Operations		Total	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Net Cash inflow/(outflow)from operating activities	71.32	(100.90)	(4149.82)	342.97	(4078.50)	242.07
Net Cash inflow/(outflow)from investing activities	714.92	571.00	6132.75	(2336.35)	6847.67	(1765.35)

Particulars	Continuing Operations		Discontinuing Operations		Total	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Net Cash inflow/ (outflow) from financing activities	(782.35)	(1068.11)	(1919.56)	1819.93	(2701.91)	751.82
Net increase/ (decrease) incash and cash equivalents	3.89	(598.01)	63.37	(173.45)	67.26	(771.46)

6. Statement of investments (non trade unless otherwise stated)

	Name of the security – Company	No of shares	Nominal Value per unit Rs/share	Book Value- Cost as at 31-03-09 Rs in Lakh	Book Value- Cost as at 31-03-08 Rs in Lakh
	Long Term at cost				
a)	Quoted equity shares of SRF Limited* @	10783886	Rs. 10 fully paid	3665.09	3665.09
b)	Unquoted equity shares of SRF Polymers Investments Limited (A wholly owned subsidiary) @ @	4205002	Rs. 100 fully paid	4204.01	4204.01
	Total			7869.10	7869.10
	*Aggregate market value of quoted Investment			7947.72	10859.37

@Out of the above 66,70,795 shares (Previous Year 98,85,795) for loans taken from State Bank of Patiala by SRF Polymers Investment Limited (wholly owned subsidiary) & Nil shares (Previous Year 3,30,000) for the loans taken from SRF Employees Welfare Co. Ltd. Above excludes 5,00,000 shares, the loan liability for the same has paid off in full and corresponding charge is pending to released from State Bank of Patiala awaiting administrative formalities.

@@Out of the above 21,00,000 shares (Previous Year Nil) are pledged for loans taken by the Company from SRF Employees Welfare Co. Ltd.

7. Repairs & Maintenance

Repairs and Maintenance to Plant & Machinery and Buildings include stores and spares consumed of Rs. 1.93 Lakhs & Rs. 0.42 Lakhs respectively (Previous year Rs. 292.50 Lakhs & Rs. 0.62 Lakhs respectively).

8. Provision for Taxation

The net deferred tax assets have been written off due to the reason that company has discontinued the operations and accordingly the deferred tax assets will not be available for set off.

The current provision for tax represents the provision for capital gain tax net of current year business loss.

9. i) Extra-ordinary Item

Extra-ordinary gain of Rs. 1583.63 lacs includes gain arising due to write back of provision towards excise liabilities which are no longer required as per legal opinion.

ii) Prior Period Item

The current year profit and loss account includes prior period expenditure of Rs. 388.11 lacs (Previous Year Rs.51.81).

10. Directors' remuneration*

Whole time Director

	Rs in Lakhs	
	31-03-2009	31-03-2008
Salary including allowances	9.22	7.35
Contribution to provident and superannuation funds	0.75	0.60
Total	9.97	7.95

Having regard to the fact that there is a global contribution to gratuity fund and towards leave encashment the amount applicable to an individual employee is not ascertainable and accordingly contribution to gratuity fund and leave encashment have not been considered in above computation.

*The director is entitled to a fixed remuneration irrespective of the profits or losses in accordance with the Schedule XIII of the Companies Act, 1956

11. Dues to Micro, Small and Medium Enterprises

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount nor there was any necessity to pay interest for delayed payments in terms of Section 16 of the said Act.

12. Related Party Transactions

As per AS –18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions with them are disclosed as under:

Control (a)	Associate (b)	Key Management Personnel (c)	Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company, and relatives of such individual (d)	By virtue of Control (e)
SRF Polymers Investments Limited Bhairav Farms Private Limited Narmada Farms Private Limited Ennore Energy Limited	SRF Ltd Subsidiaries of SRF Ltd. SRF Overseas Limited SRF Transnational Holdings Limited SRF Technical Textiles (Thailand) Limited	Mr. Rajat Lakhanpal, *Whole Time Director	Mr. Arun Bharat Ram Mr. Ashish Bharat Ram Mr. Kartikeya Bharat Ram Mrs. Manju Bharat Ram Mrs. Vasvi Bharat Ram Mrs. Radhika Bharat Ram	Bharat Ram Associates Pvt. Ltd. Shri Educare Pvt. Ltd.

* Appointed w.e.f 01.02.2005

(Rs. in Lakhs)

Nature of Transaction	(a)		(b)		(c)		(d)		(e)	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
SRF Ltd.										
Sale of Business (EP and IYB Divisions)			15031.26	—						
Rental Paid			4.26	6.28						
Purchase of goods & Payment for Services			2036.48	1891.32						
Sale of Goods			14.15	—						
Interest paid on ICD/Loans			39.11	10.12						
Sale of Fixed Assets			—	6.66						
Management Contracts including deputation of employees			2.81	—						
Reimbursement of expenses			103.13	46.92						
SRF Transnational Holdings Limited										
ICD received			130.00	—						
Interest paid on ICD/Loans			4.44	—						

Nature of Transaction	(a)		(b)		(c)		(d)		(e)	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
SRF Technical Textiles (Thailand) Ltd.										
Purchase of Goods			30.35	—						
SRF Overseas Ltd.										
Purchase of Goods			13.81	—						
SRF Polymer Investments Ltd.										
Loan/ICD given	3070.00	—								
Loan/ICD received	—	2825.00								
Loan/ICD re-payment	2320.00	655.00								
Interest paid on ICD/Loans	225.35	78.55								
Management contracts including deputation of employees	3.31	0.26								
Remuneration										
- Mr. Rajat Lakhanpal					9.97	7.95				
Directors Sitting Fees							0.35	0.24		
Year end receivable/ (payable)										
- SRF Polymer Investments Ltd.	3.31	0.26								
- SRF Limited			83.58	(128.29)						
Loan/ICD payable										
- SRF Polymer Investments Ltd.	—	2170.00								
SRF Transnational Holdings Limited			130.00	—						
Loan/ICD receivables										
- SRF Polymer Investments Ltd.	2920.00	—								

13. Earning Per Equity Share

Annualised earnings per equity share have been calculated based on the net profit after taxation of Rs 2040.38 lakhs (Previous Year net loss of Rs. 1399.32 lakhs) and the average number of equity shares of 6452615 (Previous Year 6452615).

Basic and diluted earning per share for the year is Rs 31.62 (Previous Year Rs -21.69)

14. Segment Reporting

The segments of the company have been identified in line with the Accounting Standard on segment reporting (AS-17) taking into account the organization structure as well as the differential risks and returns of these segments.

The company's reportable operating segments consisted of the following two business groups:

- Industrial Yarn (earlier Fishnet Twine)
- Engineering Plastics

Segment revenue, Results and Capital Employed includes the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable. Unallocated corporate assets mainly relate to investments.

The company has no operations outside India and hence secondary segment namely geographical segment is not applicable.

Segment Revenue, Results and Capital Employed for the year ended 31st March 2009

Particulars	Amount (Rs. Lakhs) 31-03-09	Amount (Rs. Lakhs) 31-03-08
Segment Revenue		
a) Industrial Yarn	5317	7927
b) Engineering Plastics	6213	8793
Total Segment revenue	11530	16720
Less: Inter Segment revenue	86	381
Net Sales - Income from Operations	11444	16339
Segment Results		
(Profit before interest and tax from each segment)		
a) Industrial Yarn	(305)	(673)
b) Engineering Plastics	(733)	(379)
Total Segment results	(1039)	(1052)
Less: i) Interest	1521	1240
Add/(Less): ii) Prior Period Gain/(Loss)	1196	(52)
Add: Profit on sale of businesses (net)	3835	-
Add: ii) Other Unallocable income net of un-allocable expenses	754	456
Profit before tax	3225	(1888)
Capital Employed (Segment assets less segment liabilities)		
a) Industrial Yarn	-	369
b) Engineering Plastics	-	10433
Total Capital Employed in segments	-	10802
Add: Unallocable corporate assets less liabilities	11107	7671
Total Capital Employed in the Company	11107	18473

15. Employee Benefits

- a) Gratuity
- b) Compensated absences – earned leaves

In accordance with Accounting Standard (AS) – 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using Projected Unit Credit Method. The details of the same are as follows:

	Gratuity (Funded)		Leave encashment (Unfunded)	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Discount rate (per annum)	7%	8%	7%	8%
Future salary increase	6%	7%	6%	7%
Expected rate of return on plan assets	8%	8%	-	-
In service mortality	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates				
- up to 30 years	3.00	3.00	3.00	3.00
- up to 44 years	2.00	2.00	2.00	2.00
- above 44 years	1.00	1.00	1.00	1.00

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

Reconciliation of opening and closing balances of Defined Benefit obligations

(Rs. In lakhs)

Change in the benefit obligation	Gratuity (Funded)		Leave encashment (Unfunded)	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Present value of obligation as at the beginning of the year	73.58	74.40	33.01	30.41
Service cost	13.51	5.06	1.12	5.57
Interest cost	—	5.95	—	2.43
Benefits paid	(86.23) *	(21.35)	(33.01) *	(16.95)
Actuarial loss/(gain)	—	9.52	—	11.55
Present value of obligation as at the end of the year	0.86	73.58	1.12	33.01

*Represents the obligation transferred pursuant to transfer of Engineering Plastics and Industrial Yarn businesses employees of the Company, which was transferred to SRF Ltd due to acquisition of these businesses by SRF Ltd.

Reconciliation of opening and closing balances of fair value of plan assets

(Rs. In lakhs)

	Gratuity (Funded)	
	Year ended 31.03.2009	Year ended 31.03.2008
Fair value of plan assets at the beginning of the year	117.30	78.20
Estimated return on plan assets	8.20	6.42
Employer contributions	—	30.10
Plan assets with HDFC Standard Life transferred to SRF Ltd.*	(30.39)	—
Benefits paid	—	—
Actuarial loss/(gain)	—	2.58
Plan assets at the end of the year**	87.09	117.30
Composition of Plan Asset:		
Life Insurance Corporation India Ltd.	91.0%	74.3%
HDFC Group unit linked plan Fund	—	25.6%
Others (including bank balances)	9.0%	0.1%
Total	100.0%	100.0%

*Deletion on account of transfer of funds with HDFC Standard Life to SRF Gratuity Trusts for the corresponding gratuity liability of Engineering Plastics and Industrial Yarn businesses employees of the Company, which was transferred to SRF Ltd due to acquisition of these businesses by SRF Ltd.

**Balance fund corpus of Rs. 15.53 lacs is yet to be transferred to SRF Limited Gratuity Trust, pending respective settlements with Life Insurance Corporation India Ltd.

Reconciliation of fair value of assets and obligations

(Rs. In lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)	
	As at 31.03.2009	As at 31.03.2008	As at 31.03.2009	As at 31.03.2008
Present value of obligation as at the year end	0.86	73.58	1.12	33.01
Fair value of plan assets	87.09	117.30	-	-
Net assets /(liability) recognized in the balance sheet	86.23	(43.72)	(1.12)	(33.01)

Expenses recognised in the profit and loss account

(Rs. In lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Current service cost	0.86	5.06	1.12	5.57
Interest cost	-	5.95	-	1.73
Expected return on planned assets	-	(6.42)	-	-
Actuarial loss/(gain)	-	9.03	-	11.55
Total expense	0.86	13.62	1.12	19.55

Superannuation - Defined Contribution Plan where contributions are made to a Trust which in turn contributes to ICICI Prudential Life Insurance Co. Ltd.

Apart from being covered under the Gratuity Plan described above, the employees of the Company also participate in a defined contribution Superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From 1st November, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit, Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

Provident Fund - Defined Contribution Plan

In addition to the above benefits, all employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognized Provident Fund trust. For other employees contributions are made to the regional Provident Fund Commissioners as per law. The Government mandates the annual yield to be provided to the employees on their corpus. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government

16. The Company has no forex exposures as on 31st March, 2009.

17. Operating Lease

The Company has entered into operating lease agreement with M/s SRF Limited for office premises owned by it. In terms of Accounting Standard 19 (AS-19) on "Leases" issued by the Institute of Chartered Accountants of India, the arrangement is non-cancelable in nature. The disclosures required by AS-19 are set out below:

- The disclosures relating to gross carrying amount, the accumulated depreciation at the balance sheet date have been made in schedule 5 to the balance sheet. No impairment losses have ever been recognized and hence no impairment losses are reversed.
- The future minimum lease payments under non-concancellable operating leases in the aggregate and for each of the following periods:

(Rs/Lakhs)

Particulars	As at 31.03.2009	As at 31.03.2008
(i) not later than one year	605.70	213.00
(ii) later than one year and not later than five years	353.33	337.25
(iii) later than five years	-	-
Lease Rent recognized in the profit and loss account	376.63	213.00

The Lease is for a period of five years from 01st November 2005 to 31st October 2010 and the present monthly rent is Rs. 50.47 lakhs per month.

18. Statement of Additional Information

a. Registered & Installed capacity per annum:

	Unit	2009	2008
Nylon Chips	MT	6600	6600
Nylon Compounding Chips	MT	14500	14500
Nylon Twine	MT	1440	1440

b. Actual production@:

	UNIT	2009	2008
Synthetic filament yarn/ Industrial Yarn/Nylon Chips *	MT	172.0	1391.62
Nylon Compounding Chips	MT	4392.62	6144.66
Nylon Twine **	MT	714.77	1516.71

*Includes 382.05 MT (Previous Year 1017.05 MT) manufactured through contract manufacturers

**Includes Nil MT (Previous Year 374.57 MT) manufactured through contract manufacturers

@The production is for the period April 1, 2008 to December 31, 2008

c. Opening & Closing Stock of Finished Goods (manufactured)

		Closing Quantity (MT)	Stock Value (Rs. lakhs)	Opening Quantity (MT)	Stock Value (Rs. Lakhs)
Synthetic Filament Yarn/Industrial Yarn/Nylon Chips/Twine	2009	-	-	639.50	1186.13
	2008	639.50	1186.13	297.16	510.02
Nylon Compounding Chips	2009	-	-	211.42	327.87
	2008	211.42	327.87	360.74	503.04
Ryton	2009	-	-	4.73	26.03
	2008	4.73	26.03	-	-
Total	2009		-		1540.03
	2008		1540.03		1013.06

d. Turnover*:

	2009		2008	
	Quantity (MT)	Value (RS. Lakhs)	Quantity (MT)	Value (Rs. Lakhs)
Synthetic Filament Yarn/Industrial Yarn/Nylon Chips/Twine**	2533.27	4670.97	4857.13	7578.37
Nylon Compounding Chips	4330.39	6555.83	6002.99	9277.96
Waste & Others(Traded Goods)		708.62		510.88
Gross Sales		11935.42		17367.21
Less: Excise Duty		607.88		1049.30
Net Sales		11327.54		16317.91

*Net of sales returns and damaged stocks, etc

**Includes goods bought out 412.88 MT (Previous year 273.50 MT).

e. Raw Material Consumption (net of modvat):

	2009		2008	
	Quantity (MT)	Value (Rs. Lakhs)	Quantity (MT)	Value (Rs. Lakhs)
Polyester-Nylon chips	4878.98	5557.90	4706.24	12040.95
Caprolactum	1229.00	1558.21	-	-
Others		1155.13		475.16
Total		8271.24		12516.11

f. Traded Goods:

Quantitative particulars have not been given as the goods traded are assorted.

g. Value of Imported-Indigenous Raw Materials, Stores and Spares Consumed:

	2009		2008	
	%	(Rs. Lakhs)	%	(Rs. Lakhs)
Raw Materials				
Imported	37.35	3089.41	81.01	10139.22
Indigenous	62.65	5181.83	18.99	2376.89
	100.00	8271.24	100.00	12516.11
Stores and Spares				
Imported	1.66	1.50	2.88	11.94
Indigenous	98.34	88.50	97.12	402.34
	100.00	90.00	100.00	414.28

h. Value of Imports on CIF basis:

	2009 (Rs. Lakhs)	2008 (Rs. Lakhs)
Raw Materials	3093.37	8316.27
Stores and Spares	1.58	84.22

i. Expenditure in Foreign Currency:

	2009 (Rs. Lakhs)	2008 (Rs. Lakhs)
Exchange Fluctuation Difference	142.07	-
Travel	3.28	3.17
Others	-	-

j. Earnings in Foreign Exchange:

	2009 (Rs. Lakhs)	2008 (Rs. Lakhs)
Export of goods calculated on FOB Value	317.64	176.39
Exchange Fluctuation Difference	-	59.94

19. Information pursuant to part IV of schedule VI of the Companies Act, 1956

REGISTRATION DETAILS			
Registration No.	104779	State Code	55
Balance Sheet Date	31.3.2009		
CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. '000)			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS.'000)			
Total Liabilities		Total Assets*	
Sources of Funds	1110650	Application of Funds	1110650
Paid-up Capital	64526	Net Fixed Assets	158
Reserves and Surplus	760975	Investments	786910
Secured Loans	110500	Net Current Assets*	323582
Unsecured Loans	174649	Deferred Tax Assets	-
		*Net of Current Liabilities and Provisions	
PERFORMANCE OF THE COMPANY (AMOUNT RS. '000)			
Turnover		1185642	
Total Expenditure		1447192	
Profit before Tax and Extra-ordinary items		322458	
Profit after Tax		204038	
Earnings per equity share in Rs.		31.62	
Dividend Rate –Equity (Proposed)		-	
GENERIC NAMES OF THREE PRINCIPAL PRODUCTS-SERVICES OF COMPANY (AS PER MONETARY TERMS)			
-		-	

20. Previous year figures have been regrouped / recast / rearranged, wherever necessary, to confirm to current year classifications. The figures for the current year of the Engineering Plastics and Industrial Yarn Businesses are for the period from April 1, 2008 to December 31, 2008, since these businesses are sold off to SRF Limited with effect from January 1, 2009, whereas the previous year figures included for the entire year for the same.

As per our report of even date
For THAKUR, VAIDYANATH AIYAR & CO.,
Chartered Accountants

V. Rajaraman
Partner
Membership No. 2705

Rajat Lakhnopal
Whole Time Director &
Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

Place: New Delhi
Date: 18th June, 2009

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACTS, 1956, RELATING TO SUBSIDIARY COMPANIES

S.No.	Particulars	SRF Polymers Investments Limited	SRF Polymers Investments Limited
1	Financial year of the subsidiary company	31-03-2009	31-03-2008
2	Extent of the holding company interest in the subsidiary company	4205002 equity shares of Rs 100 each fully paid up	4205002 equity shares of Rs 100 each fully paid up
	Percentage of holding (equity)	100	100
	Percentage of holding (preference)	Nil	Nil
3	Net aggregate amount of profit- (loss) of the subsidiary company for the financial year (S) so far it concern members of SRF Polymer Limited	Rs Lakhs (54.28)	Rs Lakhs 88.82
	a) Dealt with in the accounts of SRF Polymers Ltd		
	i) For the financial year of the subsidiary company	-	-
	ii) For the previous financial year (s) of the subsidiary company since it became subsidiary	-	-
	b) Not dealt with in the accounts of SRF Polymers Limited		
	i) For the financial year of the subsidiary company	(20.45)	(188.87)
	ii) For the previous financial year (s) of the subsidiary company since it became subsidiary	88.81	277.69
4	A Change of SRF Polymers Limited interest in subsidiary company between the end of the financial year of the subsidiary company and that of SRF Polymers Limited	Not applicable	Not applicable
	B Material changes between the end of the financial year of the subsidiary company and that of SRF Polymers Limited in respect of:		
	a) Fixed assets	Not applicable	Not applicable
	b) Investments	Not applicable	Not applicable
	c) Money borrowed/(lent) to the subsidiary company	2920.00	(2170.00)
	d) Money borrowed by the subsidiary company for the purposes other than the meeting current liabilities.	4900.83	13971.00

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2009

	Year Ended 31.03.09	Year Ended 31.03.08
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extra-ordinary items	3224.58	(1889.20)
Adjustments for		
Depreciation	470.23	474.94
Interest Paid	1,423.01	1240.73
Exchange Fluctuation (Net)	314.39	(59.94)
Income from Dividend on Shares	(754.87)	(539.19)
Provision for Doubtful Debts/Advances(Net of written off)	60.93	78.41
Profit on sale of businesses	(3,834.85)	-
Interest Income	(40.43)	(32.13)
Inventory Written Off	-	22.62
(Profit)/Loss on sale of Fixed Assets	(0.35)	0.09
Operating Profit before working capital changes	862.63	(703.67)
Adjustments for		
Trade and Other Receivables	(3,806.56)	(985.88)
Inventories	270.36	744.03
Trade Payables and Provisions	(720.03)	1155.47
Cash Generated from operations	(3393.60)	209.96
Exchange Fluctuation (Net)	(314.39)	59.94
Taxation	(370.52)	(27.83)
Net Cash from operating activities (A)	(4078.50)	242.07
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(28.12)	(2347.89)
Deletion pursuant to Sale of Business	4.52	11.22
Interest Income	40.43	32.13
Proceeds from sale of businesses (Net)	6,075.97	-
Income from Dividend on Shares	754.87	539.19
Net Cash used in Investing Activities (B)	6847.67	(1765.35)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds (Repayment) of long term borrowings	(410.00)	719.00
Proceeds (Repayment) of Short term borrowings	1298.98	(151.79)
Proceeds from unsecured loans	(2167.88)	1463.09
Dividends on Equity Share Capital	-	(32.27)
Interest Paid	(1,423.01)	(1240.73)
Dividend Tax	-	(5.48)
Net cash used in/ from financing activities (C)	(2701.91)	751.82
Net increase in Cash and Cash Equivalents D=(A+B+C)	67.26	(771.46)
Cash & Cash Equivalent transferred to SRF Limited (E)	(118.75)	-
Cash & Cash equivalents at the beginning of the year (F)	309.55	1081.01
Cash & Cash equivalents at the close of the year G =(D+E+F)	258.06	309.55

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

We have certified the above cash flow statement of SRF Polymers Limited derived from the audited financial statements for the year ended March 31,2009 and other records and found the same to be drawn in accordance there with and also with the requirements of clause 32 of the listing agreements with the Stock Exchanges

Place: New Delhi
Date: 18th June, 2009

For **THAKUR, VAIDYANATH AIYAR & CO**
Chartered Accountants
V.RAJARAMAN
Partner
M.NO-2705



AUDITORS' REPORT

To the Board of Directors of SRF Polymers Limited on the Consolidated Financial Statements of SRF Polymers Limited, it's subsidiary and associate

We have examined the attached Consolidated Balance Sheet of SRF Polymers Limited, it's wholly owned subsidiary SRF POLYMERS INVESTMENTS LIMITED and it's Associate SRF Ltd., as at 31st March 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

Responsibilities of management

These financial statements are the responsibility of the company's management.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework generally accepted in India and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investment in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of SRF Polymers Ltd., it's wholly owned subsidiary and it's associate included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company, it's subsidiary and it's associate and we are of the opinion that:

- (a) the Consolidated Balance Sheet, gives a true and fair view of the consolidated state of affairs of the company, it's subsidiary and it's associate as at 31st March 2009;
- (b) the Consolidated Profit and Loss Account, gives a true and fair view of the consolidated results of operations of the company, it's subsidiary and it's associate for the year then ended; and
- (c) the Consolidated Cash Flow Statement, gives a true and fair view of the consolidated cash flows of the company, it's subsidiary and it's associate for the year then ended.

**For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants**

Place: New Delhi
Date: 18th June, 2009

**V. Rajaraman
Partner
M.No.2705**

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2009

		AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
SOURCES OF FUNDS	Schedule		
Shareholders' Funds			
Share Capital	1	645.26	645.26
Reserves & Surplus	2	29590.23	22679.19
		<u>30235.49</u>	<u>23324.45</u>
Loan Funds			
Secured Loans	3	9505.83	22136.73
Unsecured Loans	4	1746.49	2736.44
		<u>11252.32</u>	<u>24873.17</u>
TOTAL		<u>41487.81</u>	<u>48197.62</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	2422.42	12659.40
Less: Depreciation		<u>151.94</u>	<u>2088.20</u>
Net Block		<u>2270.48</u>	<u>10571.20</u>
Capital Work-in-Progress		<u>-</u>	<u>-</u>
		<u>2270.48</u>	<u>10571.20</u>
Investments	7	38892.39	33680.88
Deferred Tax Assets	5	66.96	888.95
Current Assets, Loans & Advances			
Inventories	8	-	3,182.68
Sundry Debtors	9	-	1,306.71
Cash and Bank balances	10	468.70	1277.50
Loans and Advances	11	777.72	2739.50
		<u>1246.42</u>	<u>8506.39</u>
Less: Current Liabilities & Provisions			
Current Liabilities	12	971.97	5416.85
Provisions	13	16.47	32.94
		<u>988.44</u>	<u>5449.79</u>
Net Current Asset		<u>257.98</u>	<u>3056.60</u>
TOTAL		<u>41487.81</u>	<u>48197.62</u>
Notes to Accounts	19		
Schedules 1 to 13 and 19 form an integral part of the Balance Sheet			

As per our report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

V. Rajaraman
Partner
M.NO-2705

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

Place: New Delhi
Date: 18th June, 2009



CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	YEAR ENDED 31.03.09 Rs/Lakhs	YEAR ENDED 31.03.08 Rs/Lakhs
INCOME			
Gross Sales		11856.42	17367.21
Less: Excise Duty		528.88	1049.30
Net Sales		11327.54	16317.91
Other Income	14	6028.71	352.42
Total Income		17356.25	16670.33
EXPENDITURE			
Raw material consumed	15	8271.24	12516.11
(Increase) \ Decrease in Stock (Sold)	16	411.10	515.31
Manufacturing & Other Expenses	17	3817.93	4119.68
Interest and Finance Charges	18	3073.83	2465.92
Depreciation		509.39	514.11
TOTAL		16083.49	20131.13
Total Expenditure		16083.49	20131.13
Profit before Taxation (Includes Extra Ordinary Income Rs 1583.63 Lacs)		1272.78	(3460.80)
Less: Provision for Taxation		395.16	10.05
Less:Deferred Tax Liability/ (Assets)		821.98	(538.17)
Less: Taxes Paid / (Refund) for earlier years		(24.37)	19.11
Profit after Taxation		80.01	(2951.79)
The composition of the above profit after tax is as under:			
Profit/(Loss) from continuing operation before tax (Refer note 6 & 7 of Sch 19)		(2465.19)	(1996.44)
Current tax including FBT		8.57	(19.12)
Net Profit/(Loss) from continuing operation after tax		(2473.77)	(1977.31)
Profit/(Loss) from discontinuing operation before tax (Refer note 6 & 7 of Sch 19)		(96.88)	(1,464.36)
Current tax including FBT		380.84	(489.88)
Net Profit/(Loss) from discontinuing operation after tax		(477.72)	(974.48)
Profit/(Loss) from Transfer of Business before tax (Net) (Refer note 6 & 7 of Sch 19)		3834.85	-
Current tax including FBT (Capital Gain)		803.36	-
Net Profit/(Loss) from Transfer of Business operation after tax		3,031.49	-
Profit after Taxation		80.01	(2951.79)
Share in Profit of SRF Ltd (Associate company)		6831.03	5358.12
Profit After Share in Associate		6911.04	2406.32
Less: Equity Dividend		-	-
Less: Tax on Corporate Dividend		-	-
Add: Profit/(Loss) Brought Forward (Net of Loss of Subsidiaries)		17793.20	15386.87
PROFIT CARRIED TO BALANCE SHEET		24704.24	17793.19
Basic and Diluted EPS (in Rupees) (Ref note no 12)		107.10	37.29
Notes to Accounts	19		
Schedules 14 to 19 form an integral part of the Profit and Loss Account.			
As per our report of even date			

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

V. Rajaraman
Partner
M.NO-2705

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

Place: New Delhi
Date: 18th June, 2009

SCHEDULES

		AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
SCHEDULE 1: SHARE CAPITAL			
AUTHORISED			
1,00,00,000 (1,00,00,000) Equity Shares of Rs.10 each		1000.00	1000.00
50,00,000 (50,00,000) Preference Shares of Rs.10 each		500.00	500.00
		1500.00	1500.00
ISSUED, SUBSCRIBED & PAID UP			
64,52,615 (64,52,615) Equity Shares of Rs.10 each fully paid up		645.26	645.26
		645.26	645.26
SCHEDULE 2: RESERVES AND SURPLUS			
	(Rs/Lakhs)		
	OPENING BALANCE AS AT 01.04.08	ADDITIONS DURING THE YEAR	WITHDRAWALS DURING THE YEAR
Capital reserve	0.99	-	-
Capital Redemption Reserve	0.02		
General reserve	4884.98		
	4885.99		
Profit & Loss account	17793.20	6911.04	
Total	22679.19	6911.04	
PREVIOUS YEAR	20272.86	2406.33	
SCHEDULE 3: SECURED LOANS			
		AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
Long Term Loans from:			
-Banks		-	5210.00
-Others		3500.00	9650.00
Short term Loans from Banks		2900.83	4740.73
Short term Loans from Others		3105.00	2536.00
		9505.83	22136.73
SCHEDULE 4: UNSECURED LOANS			
Short Term From Banks		-	1301.58
From Others - Short Term		380.00	-
Fixed deposits		1366.49	1434.86
		1746.49	2736.44
SCHEDULE 5: DEFERRED TAX LIABILITY/(ASSETS)			
Deferred Tax Liability		-	423.29
Less:Deferred Tax Asset		-	1312.24
		-	1735.53

												Rs Lacs
GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK		
DESCRIPTION	As At 01.04.08	Additions*	Deletions	Transfers pursuant to Sale of Business**	AS AT 31.03.09	As At 01.04.08	For The Year	Withdrawal	Transfers pursuant to Sale of Business**	AS AT 31.03.09	AS AT 31.03.09	AS AT 31.03.08
Freehold Land	12.18	-	-	12.18	-	-	-	-	-	-	-	12.18
Leasehold Land	127.69	-	-	127.69	-	-	-	-	-	-	-	127.69
Road	46.56	-	-	46.56	-	0.25	0.57	-	0.82	-	-	46.31
Buildings	4261.17	-	-	1,858.59	2402.58	181.28	85.86	-	133.46	133.68	2268.90	4079.89
Plant & Machinery	7862.07	7.97	-	7,870.04	-	1,732.80	366.50	-	2,099.30	-	-	6129.27
Furniture & Fixture,												
Office Equipments etc.	209.02	6.17	-	200.52	14.67	90.75	25.82	-	102.81	13.76	0.92	118.27
Vehicles	62.30	13.98	9.01	62.10	5.17	30.86	9.14	4.76	30.74	4.50	0.66	31.44
Intangibles	78.41	-	-	78.41	-	52.26	21.50	-	73.76	-	-	26.14
TOTAL	12659.40	28.12	9.01	10256.09	2422.42	2088.20	509.39	4.76	2,440.90	151.94	2270.48	10571.20
Previous Year	6155.55	6522.63	18.78	-	12659.40	1581.57	514.11	7.48	-	2088.20	10571.20	4573.98

*Includes interest Capitalization of Rs NIL (Previous year Rs 371.93 Lacs).

**Refer note no. 6 & 7 of Schedule 19.

SCHEDULE 7: INVESTMENTS

Non-Trade

Non-trade investments (at cost)

Long Term Investments

Investment in Associates

Fully Paid up equity shares of SRF Ltd (quoted)* @

AS AT
31.03.09
Rs/Lakhs

AS AT
31.03.08
Rs/Lakhs

38892.39	33680.88
38892.39	33680.88

*Net of Capital Reserve(revaluation reserve is excluded in computation) of Rs. 3620.92 lacs (Rs 3620.92 Lacs) and Dividend received Rs. 1925.84 lacs (Rs. 1363.60 lacs).

38892.39	33680.88
-----------------	-----------------

@Market value of quoted investments Rs 20276.32 Lacs
(Previous Year Rs 27704.55 Lacs)

SCHEDULE 8: INVENTORIES

Raw Material

Stores & spares

Finished Goods

Stock-in-Process

-	1357.34
-	217.19
-	1182.58
-	425.57
-	3182.68

SCHEDULE 9: SUNDRY DEBTORS

Unsecured considered good for recovery by the Management
(unless otherwise stated)

Debts over six months

Considered good

Considered doubtful

Other debts

Considered good

Less: Provision for doubtful debts

-	23.61
-	314.94
-	1283.10
-	314.94
-	1306.71

SCHEDULE 10: CASH AND BANK BALANCES

Cash on hand

Cheques in hand

Balances with Scheduled Banks

Current Accounts

Unclaimed Dividend

Fixed Deposit (*)

0.19	2.04
-	35.84
224.98	202.55
2.38	2.42
241.15	1034.65
468.70	1277.50

*Also includes deposits earmarked Under Rule 3 A of the Companies (Acceptance of Deposits) Rules, 1975 amounting of Rs 239.81 Lacs (Previous Year Rs 225.00 Lacs) was made on 28th April 08 with in the due date of 27th April 09.

SCHEDULE 11: LOANS AND ADVANCES

Unsecured considered good for recovery by the management
(unless otherwise stated)

Advances recoverable in cash or in 'kind or for value to be received

Considered good

Inter Corporate Deposits

Considered doubtful

Sub total

Less: Provision for doubtful advances

Sub total

Deposit with Excise and Customs

Other Deposits

Advance Tax (Net of Provision)

Claims Recoverable

Cenvat/Vat/Service Tax recoverable

445.92	1987.80
-	-
-	43.84
445.92	2031.64
-	43.84
445.92	1987.80
-	206.91
-	30.72
331.80	274.59
-	66.79
-	172.69
777.72	2739.50

SCHEDULE 12: CURRENT LIABILITIES

	AS AT 31.03.09 Rs/Lakhs	AS AT 31.03.08 Rs/Lakhs
Acceptances	-	1345.19
Sundry creditors:		
Dues to MSME'S	-	-
Dues to others	487.85	3558.29
Security Deposits	300.00	241.59
Unclaimed Dividends*	2.38	2.42
Unclaimed Fixed Deposits (Including Interest)*	23.62	36.34
Interest and commitment charges accrued but not due on loans & deposits	158.12	233.02
*Will be credited to Investor Education and Protection Fund if not claimed within seven years from the issue of dividend/interest warrant/maturity of Fixed Deposits. No interest have accrued on them.		
	<u>971.97</u>	<u>5416.85</u>

SCHEDULE 13: PROVISIONS

Provision for leave encashment	16.47	32.94
Proposed Dividend	-	-
	<u>16.47</u>	<u>32.94</u>

SCHEDULE 14: OTHER INCOME

Claims	32.66	-
Dividend on shares / Units (Non-Trade)	5.23	4.00
Exchange currency fluctuation (Net)	-	59.94
Provision no longer required*	1584.08	-
Scrap sales	83.13	21.58
Profit on Sale of Investments	-	0.15
Profit on Sale of Businesses	3834.85	-
Rent Income	376.63	213.00
Interest Income		
Loans and Deposits**	54.24	37.96
Others***	18.95	13.28
Others	38.94	2.51
	<u>6028.71</u>	<u>352.42</u>

*Includes Write back of Rs 1583.63 Lacs pertaining to excise duty liability

**Includes Income-tax deducted at source Rs 12.35 Lacs (Previous Year Rs 7.52 Lacs)

***Includes interest on delayed refund of income tax Rs 15.77 Lacs (Previous Year Rs 12.95 Lacs)

SCHEDULE 15: RAW MATERIALS CONSUMED

Opening stock of Raw Material	1357.34	1674.02
Add: Purchases of Raw Materials	8512.68	12199.43
Sub Total	<u>9870.02</u>	<u>13873.45</u>
Less: Transfer of Raw Material pursuant to Sales of Businesses	1,598.78	-
Closing Stock of Raw Material	-	1357.34
Raw Materials consumed	<u>8271.24</u>	<u>12516.11</u>

SCHEDULE 16: (INCREASE) \ DECREASE IN STOCK

Opening Stock: Work in progress	425.57	583.43
Finished goods	1182.58	1540.03
	<u>1608.15</u>	<u>2123.46</u>
Less: Transfer of Material pursuant to Sales of Businesses		
Work in progress	310.18	-
Finished goods	886.86	-
Sub Total	<u>1,197.04</u>	<u>-</u>
Closing Stock: Work in progress	-	425.57
Finished goods	-	1182.58
Total	<u>-</u>	<u>1608.15</u>
(Increase) \ Decrease in Stock	<u>411.10</u>	<u>515.31</u>

SCHEDULE 17: MANUFACTURING & OTHER EXPENSES

	YEAR ENDED 31.03.09 Rs/Lakhs	YEAR ENDED 31.03.08 Rs/Lakhs
Stores & Spares Consumed	87.66	121.16
Power & Fuel	644.35	679.41
Rent	81.81	70.51
Repairs & Maintenance		
Buildings	0.42	0.61
Plant & Machinery#	107.09	334.00
Other Maintenance	95.00	56.24
Freight#	271.05	476.75
Salaries, Wages, Bonus, etc.	402.36	452.18
Contribution to PF and other Funds	33.74	41.99
Workmen & Staff Welfare Expenses	43.23	52.54
Insurance	14.86	24.83
Rates & Taxes	43.79	88.88
Contract Conversion Charges	876.07	1211.28
Travel	56.35	78.53
Telephone	28.79	42.16
Legal and professional charges	33.52	19.28
Auditors Remuneration & Expenses		
Audit Fee	3.90	3.90
Interim audit fee	2.25	1.50
Tax Matters	1.50	1.50
Certification Work	1.33	1.73
Directors Sitting Fees	0.86	0.60
Selling Commission	25.82	2.07
Discount Stockist	-	34.09
Exchange currency fluctuation	314.39	-
Management Expenses Reimbursed to SRF	15.00	20.00
Miscellaneous Expenses*@	632.79	303.94
	<u>3817.93</u>	<u>4119.68</u>

* Includes Provision for Doubtful Debts and Advances
Rs 60.93 (Previous Year Rs 78.41)

@ Includes Prior period expenditure Rs 393.62 Lacs
(Previous Year NIL)

Includes prior period expenditure NIL
(Previous Year Rs 11.50 Lacs on Freight on sales &
Rs 2.54 Lacs on repair & maintenance)

SCHEDULE 18: INTEREST & FINANCE CHARGES

INTEREST COST

Term Loans & Fixed Deposit	1388.39	1405.38
Cash Credit & Others	1523.44	789.54
Financial Charges	162.00	271.00
	<u>3073.83</u>	<u>2465.92</u>

SCHEDULE 19: NOTES TO THE CONSOLIDATED ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS.

The financial statements have been prepared on the historical cost convention basis. The generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of the Companies Act 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI of the Companies Act 1956 and the Indian Accounting Standards.

2. FIXED ASSETS

Gross block of fixed assets have been stated at their original cost. Cost Includes interest on borrowings up to the date of putting the assets to use.

3. EXPENDITURE DURING CONSTRUCTION

In respect of substantial expansion of businesses at existing locations only direct costs are capitalised together with interest on the funds relatable to them upto the date of commercial production.

4. DEPRECIATION

4.1 Depreciation is provided on Fixed assets with reference to their historical cost (exclusive of cenvatable Customs/Excise duty).

4.2 Depreciation is provided on:

- a. All assets (*including plant and machinery) costing less than Rs.5,000/- for the full value thereof.
*Provided such assets are less than 10% of the aggregate value of plant and machinery in each division.
- b. Furniture & Fixtures, Office Equipments, Data Processing Equipment, and Vehicles on Straight-line method at rates based upon life determined by the management which are lower than the life determined based on the rates specified in Schedule XIV to the Companies Act, 1956.
The depreciation rates based on useful life as estimated by the management varies between 1.63 % to 31.66 %.
- c. Roads, Buildings and Plant & Machinery on straight-line basis at rates based on useful life determined by management or at rates specified in Schedule XIV on the historical cost, whichever, amount of depreciation is higher.
- d. In case where plants are inter-dependent for production of final end-product the management has identified Cash Generating Units (CGU) as a product line. Where there is no inter-dependency, individual plant is to be recognized as CGU.

Where the carrying amount of a CGU is more than the higher of its Net Realisable Value or Value In use, the loss is recognized in profit & loss account. The loss so recognized is distributed amongst the various items of assets, which in the opinion of management have impaired, in proportion to the carrying amount of the amounts concerned. Unserviceable assets on physical verification is written off/provided for.

5. AMORTISATION

No expenditure is treated as Deferred Revenue.

6. FOREIGN CURRENCY TRANSACTION: TRANSLATION AND CONVERSION

- a) Transaction in foreign currencies is recorded at the rate prevalent on the date of transactions.
- b) All Foreign Currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of Balance Sheet or at the contracted rate, and the difference taken to Profit & Loss account as Exchange Fluctuation loss or gain.
- c) The company discloses the open and hedged foreign exchange exposure as note to the accounts.

7. RESEARCH AND DEVELOPMENT

Revenue expenditure on Research & Development are included under the natural heads of expenditure. Capital expenditure on Research & Development are treated in the same manner as expenditure on other Fixed assets.

8. VALUATION OF INVENTORY

- a. Closing stock of finished goods is valued at the lower of cost or estimated realisable value. For this purpose, cost is being reckoned as full cost (exclusive of interest and administrative overheads) net of Excise Duty and includes excise duty on the finished goods where applicable.
- b. Closing stock of work-in-progress is valued at the lower of the cost or estimated realisable value; for this purpose cost does not include Excise duty.
- c. Inventory of raw material is valued at weighted average cost or net realisable value whichever is lower; cost being net of Excise duty.
Reprocessible waste, grouped under raw material, is valued at nominal rate.
- d. Inventory of Stores and spares is valued at cost, exclusive of Excise duty.

- e. In respect of slow moving inventories the diminution in value is provided and shown net of the inventory concerned.

9. INVESTMENTS

- a) Long term quoted investments are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.
- b) Unquoted investment in subsidiaries being of long term nature are valued at cost and no loss is recognized in the fall in their net worth, if any, unless there is permanent fall in their value.

10. RETIREMENT BENEFITS

Retirement benefits have been recognized in accordance with Revised AS-15. Accordingly:

- a. The retirement benefit for encashment of leave salary is fully provided for on actuarial basis.
- b. The liability on account of provident fund in respect of officers is met by contribution to "SRF officers provident fund trust" in which SRF Polymers Limited is a participating company and for others by contribution to respective Regional Provident Fund commissioner. Contributions for Employees Pension Scheme in respect of all employees are deposited with respective Regional Provident Fund Commissioner.
- c. The contribution to superannuation fund is accounted at specified rate and payment are made to separate trusts. Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by law.
- d. Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the SRF Polymers Employees Gratuity Trust (the "Trust") and SRF Polymers Officers Gratuity Trust (the "Trust"). Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by law.

11. CONTINGENT LIABILITY

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims not acknowledged as debt, are disclosed by way of note.

12. REVENUE RECOGNITION

- a. Sales are inclusive of excise duty and net of trade discounts. Export sales include goods invoiced against confirmed orders and cleared from excise and customs authorities.
- b. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment-realisation of income such as interest from customers (including the financial condition of the person from whom the same is to be realised), the same is not accounted for.
- c. Interim dividend income from investments is recognized in the Profit and Loss account on cash basis.

13. TAXATION

- a. Tax provision is made, in accordance with the Income Tax Act 1961 including the provisions regarding Minimum Alternate Tax and the contentions of the Company and also the fact that certain expenditure becoming allowable on payment being made before filing of the return of income.
- b. Deferred tax assets and liabilities are accounted for on the basis of Accounting Standard AS-22. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

14. BORROWING COST

Borrowing cost (including difference in exchange rate on the principal to the extent it represents interest cost) attributable to the acquisition or construction of qualifying assets is capitalized as a part of the cost of those assets. Other borrowing costs are recognized as an expense in the period to which they relate.

15. EARNING PER SHARE

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

B) NOTES

1. Basis of Preparation:

- (a) The consolidated Financial statements (CFS) are prepared in accordance with standard Accounting Standard (AS) 21 "Consolidated financial statement" and Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. The CFS comprises the financial statements of SRF Polymers Limited, its subsidiary and associate.

The list of subsidiary and associates included in the consolidated financial statements are as under:

Name of the subsidiary	Country of Incorporation	Proportion of ownership at March 31, 2009	Proportion of ownership as at March 31, 2008
SRF Polymers Investments Ltd.	India	100.00%	100.00%
Name of the associate			
SRF Limited*	India	45.34%	40.53%

*Became an associate on 16.09.04

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
 - The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associate profit and loss account and through its reserves for the balance, based on available information.
 - The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be and included in the cost of investment in the associate.
 - As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
2. Details for Securities for Loans (refer Schedule No. 3 "Secured Loans to the consolidated financial statement):
The borrowings of the company are secured against the assets of the company as indicated below:

Sl No	Loan	Outstanding Amount(Rs lakhs)	Security
Long Term from others			
1	(i) IL&FS Financial Services Ltd.	1,500.00	<ul style="list-style-type: none"> Pledge of 6,670,795 fully paid up equity shares of Rs.10 each of SRF Ltd. held by M/s SRF Polymers Ltd., holding company; Pledge of 1,650,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
	(ii) Cholamandalam DBS Finance Ltd.	2,000.00	<ul style="list-style-type: none"> Pledge of 6,600,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; Second charge by way of an equitable mortgage on the immovable property of the company situated at Gurgaon, Haryana; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
Short term loans from banks			
2	i) Citibank N.A.	2,900.83	<ul style="list-style-type: none"> First charge by way of an equitable mortgage by deposit of title deeds of the immovable property of the company situated at Gurgaon, Haryana; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.

Sl No	Loan	Outstanding Amount(Rs lakhs)	Security
Short term loans from others			
3	i) Kotak Mahindra Investments Ltd.	1,000.00	<ul style="list-style-type: none"> • Pledge of 3,200,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; and • Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
	ii) SICOM Ltd.	1,000.00	<ul style="list-style-type: none"> • Pledge of 3,000,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; and • Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
	iii) SRF Employees Welfare Co. Ltd.	1105.00	<ul style="list-style-type: none"> • Pledge of 21,00,000 fully paid up equity shares of Rs.10 each of SRF Polymers Investments Ltd, which is wholly owned subsidiary of the Company.
	Total	9505.83	

3. Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs. Nil lakhs (Previous year Rs. 44.23 lakhs).

SRF Polymers Share of capital commitment of SRF Limited Rs. 7530.46 Lakhs (Previous Year Rs- 1536.66 Lakhs).

SRF Polymers Investments Ltd. has commitment for capital investment in its proposed subsidiaries amounting to Rs. 5 lacs (Previous Year Rs. 9.99 lacs).

Further SRF polymers share of capital commitment of SRF Ltd. i) up to 1.18 Million US Dollar due to SRF Ltd.'s investment in the joint venture Jingde Yangtze-Ganga Fluorine Chemical Co. Limited (Previous Year 1.07 Million US Dollar) ii) up to Rs. 4.53 lacs (Previous Year Rs. 4.05 Lacs) due to SRF Ltd's investment in its subsidiaries.

4. Contingent Liabilities

a) Claims against The Company not acknowledged as debts on account of:

(Rs. Lakhs)		
Particulars	31-03-09	31-03-08
Income Tax	279.98	52.55

The Company has been advised that its contentions in the matter of disputed demands are legally tenable and hence the possibility of these maturing is remote.

- b) The Company has been served with show cause notices regarding certain transactions as to why additional excise duty amounting to Rs. Nil Lakhs (Previous year Rs. 496.28 Lakhs) should not be levied. The Company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.
- c) As per Business Transfer Agreement with SRF Limited, the Company has given representations and warranties for the liabilities of Rs. 1821.93 lakhs (Previous Year - Rs. Nil) and Rs. 28.10 lakhs (Previous Year - Rs. Nil) respectively towards Excise Duty and Sales tax.
- d) The Company has given a surety of Rs. 5.00 lakhs (Previous year Rs. 5.00 lakhs) on behalf of SRF Ltd. to Delhi Sales tax authorities.

SRF Polymers Share of Contingent liabilities of SRF Limited:

Share in the contingent liabilities on account of claims- Rs. 4384.29 lakhs (Previous Year Rs. 2847.23 lakhs)

5. Security Deposit

Security deposit includes Rs 300 lakhs of interest free deposit from SRF Limited for leasing of office premises. (Previous Year Rs. 210 lakhs)

6. The Company has sold the Engineering Plastics Business and Industrial Yarn Business divisions to SRF Limited on a going concern and slump sale basis with effect from January 1, 2009 under a Business Transfer Agreement (BTA) at a consideration of Rs. 15031.26 lakhs.

Particulars	Rs. in lakhs
Net Sales consideration received	15031.26
A: Carrying amount of Fixed Assets & Capital Work in Progress	7859.49
B: Carrying amount of Net current assets	3323.40
C: Total assets (A+B)	11182.89
Profit on Sale of Assets	3848.37
Less: Business valuation expenses	13.52
Net Profit on sale of businesses	3834.85

The Company had entered into Non-Compete Agreements whereby the Company had inter-alia agreed not to engage, directly or indirectly, in the manufacturing and selling thereof as would compete with SRF Limited in respect of Engineering Plastics and Industrial Yarn, in any country of the world for a period of 5 years from the date of the Business Transfer Agreement i.e. January 1, 2009.

Also refer to the note no. 3(b) regarding contingent liabilities

7. AS-24 Discontinued Operations (Engineering Plastics and Industrial Yarn business)

- i) The following statement shows the revenues and expenses and assets and liabilities of the continuing and discontinuing operations:

Particulars	Continuing Operations		Discontinuing Operations		Total	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Gross Sales	-	-	11,856.42	17,367.21	11,856.42	17,367.21
Less: Excise Duty	-	-	528.88	1,049.30	528.88	1,049.30
Net Sales	-	-	11,327.54	16,317.91	11,327.54	16,317.91
Other Income	468.24	199.63	142.01	152.79	610.25	352.42
Total Income	468.24	199.63	11,469.55	16,470.70	11,937.79	16,670.33
Raw material consumed	-	-	8,271.24	12,516.11	8,271.24	12,516.11
(Increase)/decrease in Stock	-	-	411.10	515.31	411.10	515.31
Manufacturing and other Expenses	74.07	50.79	3,743.86	4,068.88	3,817.93	4,119.68
Interest and Finance charges	2,819.17	2,105.10	254.66	360.82	3,073.83	2,465.92
Depreciation	40.19	40.16	469.20	473.94	509.39	514.11
Total Expenditure	2,933.43	2,196.06	13,150.06	17,935.06	16,083.49	20,131.12
Profit/(loss) before exceptional items and tax	(2,465.19)	(1,996.43)	(1,680.51)	(1,464.36)	(4,145.70)	(3,460.79)
Exceptional Item						
Profit on transfer of Engineering Plastics and Industrial Yarn businesses	-	-	3,834.85	-	3,834.85	-
Provision no longer required	-	-	1,583.63	-	1,583.63	-
Profit/(loss) before tax	(2,465.19)	(1,996.43)	3,737.97	(1,464.36)	1,272.78	(3,460.79)
Provision for tax						
Current tax including Fringe Benefit Tax	-	0.05	395.16	10.00	395.16	10.05
Deferred Tax Reversal/ (Asset)	8.31	(20.46)	813.68	(517.71)	821.98	(538.17)
Taxes of Earlier Years	0.27	1.28	(24.64)	17.83	(24.37)	19.11
Profit/(loss) after tax	(2,473.81)	(1,977.30)	2,553.76	(974.48)	80.01	(2,951.78)
Assets	42,476.26	38,381.92	-	15,265.50	42,476.26	53,647.42
Liabilities	42,476.26	38,381.92	-	15,265.50	42,476.26	53,647.42

*The above excludes the transactions for the period 1 January, 2009 to 15 February, 2009 which were initially recorded in the company's books and later on transferred to SRF Limited on whose behalf the transactions were carried out.

Particulars	Amt/Rs. lakhs
Net Sales	1077.09
Other Income	7.90
Total Income	1084.99
Raw material consumed	1102.05
(Increase)/decrease in Stock	89.76
Manufacturing and other Expenses	178.06
Interest and Finance charges	11.05
Depreciation	71.64
Profit before Tax	(367.57)

ii) The following statement discloses the net cash flows from operating, investing and financing activities of the continuing and discontinuing operations:

Particulars	Continuing Operations		Discontinuing Operations		Total	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Net Cash inflow/(outflow) from operating activities	3462.72	101.07	(4149.82)	342.97	(687.10)	444.04
Net Cash inflow/(outflow) from investing activities	1617.24	713.30	6132.75	(2336.35)	7749.99	(1623.05)
Net Cash inflow/(outflow) from financing activities	(5833.38)	(1068.79)	(1919.56)	1819.93	(7752.94)	751.14
Net increase/(decrease) incash and cash equivalents	(753.42)	(254.42)	63.37	(173.45)	(690.05)	(427.87)

8. Statement of investments (non trade unless otherwise stated)

Name of the security – Company	No of shares	Nominal Value per unit Rs/share	As at 31-03-09 Rs in Lakh	As at 31-03-08 Rs in Lakh
Long Term				
Investment in Associates				
Quoted equity shares of SRF Limited*	27511962 (27511962)	Rs. 10 fully paid	38892.39	33680.88
*Net of Capital Reserve of Rs 3620.92 Lakhs (Previous Year 3620.92 Lakhs) and Dividend received Rs. 1925.84 lacs (Rs. 1363.60 lacs).				
Total			38892.39	33680.88
			20276.32	27704.55

*Aggregate market value of quoted Investment

@Out of the above 2,32,35,795 (Previous Year 1,35,36,795) shares & 3,30,000 (Previous Year 5,19,000) are pledged for loans taken by Company & its subsidiary & SRF Employees Welfare Co. Ltd. respectively

9. Repairs & Maintenance

Repairs and Maintenance to Plant & Machinery and Buildings include stores and spares consumed of Rs. 1.93 Lakhs & Rs. 0.42 Lakhs respectively (Previous year Rs. 292.50 Lakhs & Rs. 0.62 Lakhs respectively).

10. Provision for Taxation

The current provision for tax represents the provision for capital gain tax net of current year business loss.

The net deferred tax assets pertaining to SRF Polymers Ltd. have been written off due to the reason that company has discontinued the operations and accordingly the deferred tax assets will not be available for set off.

The deferred tax asset has been recognized in SRF Polymer Investment Ltd. towards the loss suffered under the head "Income from House Property" and does not include carry forward business losses. The details of Net deferred tax asset of Rs 66.96 lacs (previous year 75.27 lacs) are as under:

Rs. Lacs		
Particulars	31.03.2009	31.03.2008
Deferred tax assets on account of:		
Loss from House Property	58.70	58.75
Interest for the Pre-occupation period	8.26	16.52
Total	66.96	75.27

11. i) Extra-ordinary Item

Extra-ordinary gain of Rs. 1583.63 lacs includes gain arising due to write back of provision towards excise liabilities which are no longer required as per legal opinion.

ii) Prior Period Item

The current year profit and loss account includes prior period expenditure of Rs. 393.62 lacs (Previous Year Rs. 51.81).

12. Directors' remuneration*

Whole time Director

Rs in Lakhs		
	31-03-2009	31-03-2008
Salary including allowances	9.22	7.35
Contribution to provident and superannuation funds	0.75	0.60
Total	9.97	7.95

Having regard to the fact that there is a global contribution to gratuity fund and towards leave encashment the amount applicable to an individual employee is not ascertainable and accordingly contribution to gratuity fund and leave encashment have not been considered in above computation.

*The director is entitled to a fixed remuneration irrespective of the profits or losses in accordance with the Schedule XIII of the Companies Act, 1956

13. Dues to Micro, Small and Medium Enterprises

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount nor there was any necessity to pay interest for delayed payments in terms of Section 16 of the said Act.

14. Related Party Transactions

As per AS -18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions with them are disclosed as under:

Associate (a)	Key Management Personnel (b)	Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company, and relatives of such individual (c)	By virtue of Control (d)
SRF Ltd Subsidiaries of SRF Ltd. SRF Overseas Limited SRF Transnational Holdings Limited SRF Technical Textiles (Thailand) Limited	Mr. Rajat Lakhanpal, *Whole Time Director	Mr. Arun Bharat Ram Mr. Ashish Bharat Ram Mr. Kartikeya Bharat Ram Mrs. Manju Bharat Ram Mrs. Vasvi Bharat Ram Mrs. Radhika Bharat Ram	Bharat Ram Associates Pvt. Ltd. Shri Educare Pvt. Ltd..

*Appointed w.e.f 01.02.2005

Nature of Transaction	(a)		(b)		(c)		(d)	
	31-03-09	31-03-08	31-03-09	31-03-08	31-03-09	31-03-08	31-03-09	31-03-08
SRF Ltd.								
Sale of Business (EP and IYB Divisions)	15031.26	—						
Rental Paid	4.26	6.28						
Purchase of goods & Payment for Services	2036.48	1891.32						
Sale of Goods	14.15	—						
Interest paid on ICD/Loans	39.11	10.12						
Sale of Fixed Assets	—	6.66						
Management Contracts including deputation of employees	2.81	—						
Reimbursement of expenses	103.13	46.92						
SRF Transnational Holdings Limited								
ICD received	130.00	—						
Interest paid on ICD/Loans	4.44	—						
SRF Technical Textiles (Thailand) Limited								
Purchase of Goods	30.35	—						
SRF Overseas Ltd.								
Purchase of Goods	13.81	—						
Remuneration								
Mr. Rajat Lakhanpal			9.97	7.95				
Directors Sitting Fees					0.35	0.24		
Year end receivable/ (payable)								
SRF Limited	83.58	(128.29)						
Loan/ICD outstanding								
SRF Transnational Holdings Limited	130.00	—						

15. Earning Per Equity Share

Annualised earnings per equity share have been calculated based on the net loss after taxation of Rs 6911.04 lakhs (Previous Year Rs. 2406.33 lakhs) and the average number of equity shares of 6452615 (Previous Year 6452615).

Basic and diluted earning per share for the year is Rs 107.10 (Previous Year Rs 37.29)

16. Segment Reporting

The segments of the company have been identified in line with the Accounting Standard on segment reporting (AS-17) taking into account the organization structure as well as the differential risks and returns of these segments.

The company's reportable operating segments consisted of the following two business groups:

- Industrial Yarn (earlier Fishnet Twine)
- Engineering Plastics

Segment revenue, Results and Capital Employed includes the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable. Unallocated corporate assets mainly relate to investments.

The company has no operations outside India and hence secondary segment namely geographical segment is not applicable.

Segment Revenue, Results and Capital Employed for the year ended 31st March 2009

Particulars	Amount (Rs. Lakhs) 31-03-09	Amount (Rs. Lakhs) 31-03-08
Segment Revenue		
a) Industrial Yarn	5317	7927
b) Engineering Plastics	6213	8793
Total Segment revenue	11530	16720
Less: Inter Segment revenue	86	381
Net Sales - Income from Operations	11444	16339
Segment Results		
(Profit before interest and tax from each segment)		
a) Industrial Yarn	(305)	(673)
b) Engineering Plastics	(733)	(379)
Total Segment results	(1039)	(1052)
Less: i) Interest	3074	2466
Add/(Less) ii) Prior period gain/(Loss)	1196	(52)
Add/(Less):ii) Profit on sale of businesses	3835	-
Add: ii) Other Unallocable income net of un-allocable expenses	355	109
Profit before tax	1273	(3461)
Share in Profit in SRF Limited (Associate Company)	6831	5358
Total Profit before Tax (After share in Profit of Associate)	8104	1897
Capital Employed (Segment assets less segment liabilities)		
a) Industrial Yarn	-	369
b) Engineering Plastics	-	10433
Total Capital Employed in segments	-	10802
Add: Unallocable corporate assets less liabilities	41421	36507
Total Capital Employed in the Company	41421	47309

17.Employee Benefits

- a) Gratuity
- b) Compensated absences – earned leaves

In accordance with Accounting Standard (AS) – 15 (Revised 2005), actuarial valuation was obtained from the actuary in respect of the aforesaid defined benefit plans using Projected Unit Credit Method. The details of the same are as follows:

	Gratuity (Funded)		Leave encashment (Unfunded)	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Discount rate (per annum)	7%	8%	7%	8%
Future salary increase	6%	7%	6%	7%
Expected rate of return on plan assets	8%	8%	-	-
In service mortality	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Retirement age	58 years	58 years	58 years	58 years
Withdrawal rates				
- up to 30 years	3.00	3.00	3.00	3.00
- up to 44 years	2.00	2.00	2.00	2.00
- above 44 years	1.00	1.00	1.00	1.00

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

Reconciliation of opening and closing balances of Defined Benefit obligations

(Rs. In lakhs)

Change in the benefit obligation	Gratuity (Funded)		Leave encashment (Unfunded)	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Present value of obligation as at the beginning of the year	73.58	74.40	33.01	30.41
Service cost	13.51	5.06	1.12	5.57
Interest cost	—	5.95	—	2.43
Benefits paid	(86.23) *	(21.35)	(33.01) *	(16.95)
Actuarial loss/(gain)	—	9.52	—	11.55
Present value of obligation as at the end of the year	0.86	73.58	1.12	33.01

*Represents the obligation transferred pursuant to transfer of Engineering Plastics and Industrial Yarn businesses employees of the Company, which was transferred to SRF Ltd due to acquisition of these businesses by SRF Ltd.

Reconciliation of opening and closing balances of fair value of plan assets

(Rs. In lakhs)

	Gratuity (Funded)	
	Year ended 31.03.2009	Year ended 31.03.2008
Fair value of plan assets at the beginning of the year	117.30	78.20
Estimated return on plan assets	8.20	6.42
Employer contributions	—	30.10
Plan assets with HDFC Standard Life transferred to SRF Ltd.*	(30.39)	—
Benefits paid	—	—
Actuarial loss/(gain)	—	2.58
Plan assets at the end of the year	87.09	117.30
Composition of Plan Asset:		
Life Insurance Corporation India Ltd.	91.0%	74.3%
HDFC Group unit linked plan Fund	—	25.6%
Others (including bank balances)	9.0%	0.1%
Total	100.0%	100.0%

*Deletion on account of transfer of funds with HDFC Standard Life to SRF Gratuity Trusts for the corresponding gratuity liability of Engineering Plastics and Industrial Yarn businesses employees of the Company, which was transferred to SRF Ltd due to acquisition of these businesses by SRF Ltd.

**Balance fund corpus of Rs. 15.53 lacs is yet to be transferred to SRF Limited Gratuity Trust, pending respective settlements with Life Insurance Corporate India Ltd.

Reconciliation of fair value of assets and obligations

(Rs. In lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)	
	As at 31.03.2009	As at 31.03.2008	As at 31.03.2009	As at 31.03.2008
Present value of obligation as at the year end	0.86	73.58	1.12	33.01
Fair value of plan assets	87.09	117.30	-	-
Net assets /(liability) recognized in the balance sheet	86.23	(43.72)	(1.12)	(33.01)

Expenses recognised in the profit and loss account

(Rs. In lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
Current service cost	0.86	5.06	1.12	5.57
Interest cost	-	5.95	-	1.73
Expected return on planned assets	-	(6.42)	-	-
Actuarial loss/(gain)	-	9.03	-	11.55
Total expense	0.86	13.62	1.12	19.55

Superannuation - Defined Contribution Plan where contributions are made to a Trust which in turn contributes to ICICI Prudential Life Insurance Co. Ltd.

Apart from being covered under the Gratuity Plan described above, the employees of the Company also participate in a defined contribution Superannuation plan maintained by the Company. The Company has no further obligations under the plan except making annual contributions based on a specified percentage of each covered employee's salary. From 1st November, 2006, the Company provided an option to the employees to receive the said benefit as cash compensation along with salary in lieu of the superannuation benefit. Thus, no contribution is required to be made for the category of employees who opted to receive the benefit in cash.

Provident Fund - Defined Contribution Plan

In addition to the above benefits, all employees are entitled to Provident Fund benefits as per the law. For certain category of employees the Company administers the benefits through a recognized Provident fund trust. For other employees contributions are made to the regional Provident Fund Commissioners as per law. The Government mandates the annual yield to be provided to the employees on their corpus. For the first category of employees (covered by the Trust), the Company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government

18. The Company has no forex exposures as on 31st March, 2009.

19. Operating Lease

The Company has entered into operating lease agreement with M/s SRF Limited for office premises owned by it. In terms of Accounting Standard 19 (AS-19) on "Leases" issued by the Institute of Chartered Accountants of India, the arrangement is non-cancelable in nature. The disclosures required by AS-19 are set out below:

- The disclosures relating to gross carrying amount, the accumulated depreciation at the balance sheet date have been made in schedule 5 to the balance sheet. No impairment losses have ever been recognized and hence no impairment losses are reversed.
- The future minimum lease payments under non-concellable operating leases in the aggregate and for each of the following periods:

Particulars	(Rs/Lakhs)	
	As at 31.03.2009	As at 31.03.2008
(i) not later than one year	605.70	213.00
(ii) later than one year and not later than five years	353.33	337.25
(iii) later than five years	-	-
Lease Rent recognized in the profit and loss account	376.63	213.00

The Lease is for a period of five years from 01st November 2005 to 31st October 2010 and the present monthly rent is Rs. 50.47 lakhs per month.

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.,
Chartered Accountants

V. Rajaraman
Partner
Membership No. 2705

Rajat Lakhanpal
Whole Time Director &
Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

Place: New Delhi
Date: 18th June, 2009



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2009

	YEAR ENDED 31.03.09	(Rs. Lakhs) YEAR ENDED 31.03.08
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extra-ordinary items	1272.78	(3460.80)
Adjustments for		
Depreciation	509.39	514.11
Interest Paid (Net)	3,073.83	2414.68
Exchange Fluctuation	314.39	(59.94)
Income from Dividend on Shares	(5.23)	(4.00)
Interest Income	(73.19)	(51.24)
Provision for Doubtful Debts/Advances(Net of written off)	60.93	78.41
Profit on sale of businesses	(3,834.85)	-
Inventory Written Off	-	22.62
(Profit)/Loss on sale of Fixed Assets	-	0.09
Operating Profit before working capital changes	1318.04	(546.07)
Adjustments for		
Trade and Other Receivables	(846.84)	(1010.68)
Inventories	270.36	744.04
Trade Payables and Provisions	(743.49)	1225.97
Cash Generated from operations	(1.93)	413.27
Exchange Fluctuation	(314.39)	59.94
Taxation	(370.79)	(29.16)
Net Cash from operating activities (A)	(687.10)	444.04
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(28.12)	(2347.86)
Sale of assets	4.19	11.21
Profit on sale of business	(13.52)	
Purchase of Investments	(306.32)	(705.23)
Interest Income	73.19	51.24
Proceeds from Sale of businesses (Net)	6,089.49	
Income from Dividend on Shares	5.23	4.00
Income from Dividend on Shares from SRF Ltd.(Associate Company)	1,925.84	1363.60
Net Cash used in Investing Activities (B)	7749.99	(1623.05)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds (Repayment) of long term borrowings	(6560.00)	1721.45
Proceeds (Repayment) of Short term borrowings	1878.78	2189.21
Proceeds from unsecured loans	2.12	(706.91)
Dividends on Equity Share Capital	-	(32.46)
Interest Paid (Net)	(3073.83)	(2414.67)
Dividend Tax	-	(5.48)
Net cash used in/ from financing activities (C)	(7752.94)	751.14
Net increase in Cash and Cash Equivalents D=(A+B+C)	(690.05)	(427.87)
Cash & Cash Equivalent transferred to SRF Limited (E)	(118.75)	-
Cash & Cash equivalents at the beginning of the year (F)	1277.50	1705.37
Cash & Cash equivalents at the close of the year G=(D+E+F)	468.70	1277.50

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Director

Amitav Virmani
Director

We have certified the above cash flow statement of SRF Polymers Limited derived from the audited financial statements for the year ended March 31, 2009 and other records and found the same to be drawn in accordance there with and also with the requirements of clause 32 of the listing agreements with the Stock Exchanges

Place: New Delhi
Date: 18th June, 2009

For THAKUR, VAIDYANATH AIYAR & CO
Chartered Accountants
V.RAJARAMAN
Partner
M.NO-2705

SRF POLYMERS INVESTMENTS LTD.

DIRECTORS' REPORT

Your Directors present herewith their Twenty Fifth Report together with the audited Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS

There has been a loss of Rs. 34,53,652 during the year. The net profit after adjusting this loss against the profit of Rs. 88,81,776 brought forward from the previous years comes to Rs. 54,28,124 which has been carried to the Balance Sheet.

DIVIDEND

In view of the loss, no dividend on equity shares is being recommended.

AUDITORS

M/s Thakur, Vaidyanath Aiyar & co., auditors of the company, retire at the conclusion of the ensuing annual general meeting and being eligible offer themselves for re-appointment.

DIRECTORS

Mr. Dharendra Datta was co-opted as an additional director during the year. His term of office as director is coming to an end at the ensuing annual general meeting. Item for his appointment as regular director of the Company has been included in the Notice of the ensuing Annual General Meeting.

Mr. Vinod K. Kala had resigned from the directorship of the company. Your Directors place on record their gratitude and appreciation of services rendered by him during his tenure.

Mr. Rajat Lakhanpal and Mr. K. Ravichandra retire at the conclusion of the ensuing annual general meeting and being eligible offer themselves for re-appointment.

AUDIT COMMITTEE

An audit Committee has been constituted by the Board as per the requirements of the Companies Act, 1956. The Audit Committee consists of Mr. R.M. Rajgopal, Mr. K. Ravichandra and Mr. Rajat Lakhanpal. Mr. K. Ravichandra has been elected as the Chairman by the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 your Directors hereby confirm that:

1. In preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors had selected such accounting such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the income and expenditure of the Company for the period under review;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The Directors had prepared the annual accounts for the year ended 31.3.2009 on a going concern basis.

PARTICULARS OF CERTAIN EMPLOYEES

No employee of the company is drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

SUBSIDIARY COMPANY

Ennore Energy Limited incorporated to undertake the activities in the field of generation of energy and other related activities has not commenced any business.

For and on behalf of the board of directors

Ekta Maheshwari
Whole-time Director &
Company Secretary

Rajat Lakhanpal
Director

Place: Gurgaon
Date: 12th June, 2009

AUDITORS' REPORT

To the SHAREHOLDERS OF SRF POLYMERS INVESTMENTS LIMITED

We have audited the attached balance sheet of SRF POLYMERS INVESTMENTS LIMITED as at 31st March 2009 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and

notes give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the balance sheet, of the state of affairs of the company as at 31st March 2009;
- b. in the case of the profit and loss account, of the loss for the year ended on that date.
- c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

Place: New Delhi
Date: 12th June, 2009

(V. RAJARAMAN)
Partner
M.No: 2705

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN MAIN REPORT

The company is an Investment company (exempted from the provisions regarding non banking financial institution (NBFI) of section 45-IA of RBI Act 1934) and not involved either in manufacturing or engaged in the business of chit fund, nidhi, or mutual benefit. Hence the clauses applicable to these businesses have not been considered below.

As required by the Companies (Auditors' Report) Order, 2003 we state that:

1. The company has maintained proper record showing full particulars of buildings and situation thereof.
The company has not disposed off any substantial part of its fixed assets during the year.
2. The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
3. The company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. There are no other contracts or arrangements referred to in section 301 of the Act that were required to be entered in the register.
5.
 - a. The company has taken loans from banks and others. The terms and conditions on which these have been taken are not prima facie prejudicial to the interest of the company.
 - b. The payment of principal and interest are regular in respect of all such loans taken.
 - c. In view of what is stated in (a) & (b) above, there are no overdue amounts.
6. In our opinion and according to the information and explanations given to us, there is an adequate internal

- control procedure commensurate with the size of the company and the nature of its business.
7. The management is of the opinion that though the paid up capital and reserves exceeds Rs.50 lacs, the nature of the operations of the company is rent of the building owned by the company and dividend on investments made. The management feels that there is no need for a separate internal audit apart from the internal controls prevalent in the company.
 8. The company has not accepted any deposits from the public.
 9. According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, income-tax, and any other statutory dues, applicable to it.
 10. There are no disputed amounts of income tax.
 11. The company has no accumulated losses at the end of the financial year. The company has not incurred cash losses in the current financial year, though there was cash loss in the immediately preceding financial year.
 12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The company has not given any guarantee for loans taken by others from banks or financial institutions.
 14. The company has not issued fresh shares, hence question of either the preferential allotment and end use thereof does not arise.
 15. The company has not issued any debentures.
 16. Proper records have been kept in respect of investments made by the company and the investments are in the name of the company only.
 17. No fraud on or by the company has been noticed or reported during the year.

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

Place: New Delhi
Date: 12th June, 2009

V. RAJARAMAN
Partner
M.No.2705



BALANCE SHEET AS AT 31ST MARCH 2009

Particulars

	Schedule	Amount (Rs/Lakhs) As at 31.03.2009	As at 31.03.2008
Sources of Funds			
Shareholders' Fund			
Share Capital	'1'	4,205.00	4,205.00
Reserves & Surplus	2'	54.30	88.83
Loan Funds			
Secured Loan	'3'	8,400.83	13,971.00
Unsecured Loan	'4'	2,920.00	-
		<u>15,580.13</u>	<u>18,264.83</u>
Application of Funds			
Fixed Assets	'5'		
Gross Block		2,402.61	2,402.61
Less: Depreciation		133.69	94.53
Net Block		<u>2,268.92</u>	<u>2,308.08</u>
Investments	'6'	13,302.08	12,995.75
Deferred Tax Asset		66.96	75.26
Current Assets, Loans & Advances:-	'7'	306.49	3,212.60
Less: Current Liabilities & Provisions	'8'	364.32	326.86
Net Current Assets		<u>(57.83)</u>	<u>2,885.74</u>
		<u>15,580.13</u>	<u>18,264.83</u>
Significant Accounting Policies & Notes	'10'		
Schedule 1 to 8 and 10 form an integral part of Accounts			

As per our Report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

(V.Rajaraman)
Partner
M.No. 2705

(Ekta Maheshwari)
WHOLE TIME DIRECTOR & CO. SECRETARY

(Rajat Lakhanpal)
DIRECTOR

(Arun Bharat Ram)
DIRECTOR

Place: Gurgaon

Dated: 12th June, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009

Particulars

	Schedule	Year Ended 31.03.2009	Amount (Rs/Lakhs) Year Ended 31.03.2008
Income			
Rent [TDS Rs. 3,506,635 (Pr. Yr. Rs.398,310)]		376.62	213.00
Dividend on Investments		1,176.20	828.40
Profit on sale of Investments		-	0.14
Interest on deposit with Bank [TDS Rs.593,574 (Pr. Yr. Rs.432,270)]		30.38	19.11
Interest on Loans given [TDS Rs.Nil (Pr. Yr. Rs.1,761,161)]		225.35	78.55
Interest on delayed Income Tax Refund		2.39	-
		1,810.94	1,139.20
Expenditures			
Salary		3.31	0.26
Interest & Finance Charges	'9'	1,777.70	1,303.74
Insurance Charges		0.61	0.22
Audit Fees		0.40	0.40
Rates & Taxes		0.01	-
Filing Fees		0.04	0.30
Professional Expenses		6.84	1.87
Depreciation		39.16	39.16
Miscellaneous Expenses		3.32	1.25
		1,831.39	1,347.20
Profit/(Loss) for the year		(20.45)	(208.00)
Less: Prior period expenses		5.51	-
Less: Provision for			
Current Tax		-	0.05
Deferred Tax		8.31	(20.46)
Less: Prior year tax adjustments		0.26	1.28
Profit/(Loss) after Tax		(34.53)	(188.87)
Profit brought forward		88.81	277.68
Profit carried to Balance Sheet		54.28	88.81
Significant Accounting Policies & Notes	'10'		
Schedule 9 and 10 form an integral part of Accounts			

As per our Report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

(V.Rajaraman)
Partner
M.No. 2705

(Ekta Maheshwari)
WHOLE TIME DIRECTOR & CO. SECRETARY

(Rajat Lakhanpal)
DIRECTOR

(Arun Bharat Ram)
DIRECTOR

Place: Gurgaon

Dated: 12th June, 2009

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	As at 31.03.2009	Amount (Rs/Lakhs) As at 31.03.2008						
SCHEDULE 1: SHARE CAPITAL								
Authorised Capital								
42,99,820 (Pr.Yr. 42,99,820) 'A' Equity Shares of Rs.100 each	4,299.82	4,299.82						
30 (Pr. Yr. 30) 'B' Equity Shares of Rs.100 each	0.03	0.03						
50 (Pr. Yr. 50) 6% Reedemable Preference Shares of Rs.100 each	0.05	0.05						
100 (Pr. Yr. 100) 4% Reedemable Preference Shares of Rs.100 each	0.10	0.10						
	4,300.00	4,300.00						
Issued, Subscribed and Paid-up Capital								
42,05,002 (Pr.Yr. 42,05,002) 'A' Equity Shares of Rs.100 each	4,205.00	4,205.00						
held by SRF Polymers Limited, the holding Company and its nominees	4,205.00	4,205.00						
SCHEDULE 2: RESERVES & SURPLUS								
Capital Redemption Reserve Account	0.02	0.02						
Profit & Loss Account	54.28	88.81						
	54.30	88.83						
SCHEDULE 3: SECURED LOAN								
Long Term Loan from other than Banks	3,500.00	9,650.00						
Short Term Loan from Banks	2,900.83	2,825.00						
Short Term Loan from other than Banks	2,000.00	1,496.00						
	8,400.83	13,971.00						
SCHEDULE 4: UNSECURED LOAN								
Loan from Holding Company (Interest free)	2,920.00	-						
	2,920.00	-						
SCHEDULE 5: FIXED ASSETS								
Particulars	Amount in Rupees/Lakhs							
	Gross Block		Depreciation		Net Block			
	As on	Additions/	As on	upto	for	upto	As on	As on
	01.04.2008		31.03.2009	31.03.2008	the year	31.03.2009	31.03.2008	31.03.2009
Building	2,402.61	-	2,402.61	94.53	39.16	133.69	2,308.08	2,268.92
Total	2,402.61	-	2,402.61	94.53	39.16	133.69	2,308.08	2,268.92
Prev. yr.	2,402.61	-	2,402.61	55.36	39.16	94.53	2,347.25	2,308.08
SCHEDULE 6: INVESTMENTS								
Non-trade Investments								
Quoted (Non-trade Long Term at cost)								
16,728,076 (16,728,076) Equity Shares of Rs.10 each fully paid up in SRF Ltd.	12,995.75	12,995.75						
Quoted (Short Term)								
30629.037 (Pr.Yr. Nil) Units of DSP BlackRock Cash Manager Fund								
of Rs. 1000 each	306.33	-						
[Market value of quoted investments Rs.12,735.28 lakhs (Rs.16,845.17 lakhs)]	13,302.08	12,995.75						
SCHEDULE 7: CURRENT ASSETS, LOANS & ADVANCES								
Cash and Bank balances								
Cash in hand	0.04	0.00						
Cheques in hand	-	35.84						
Balance in Current Accounts with Scheduled Banks	210.60	131.57						
Fixed Deposit towards Margin Money with Scheduled Bank	-	800.00						
Interest accrued but not due on above	-	0.54						
	210.64	967.95						
Loans & Advances								
Loan to SRF Polymers Limited-Holding Company	-	2,170.00						
Advances Recoverable	0.31	0.30						
Prepaid Expenses	0.40	0.40						
Income-tax recoverable (net of provisions)	95.14	73.95						
	95.85	2,244.65						
	306.49	3,212.60						

SCHEDULE 8: CURRENT LIABILITIES

Security Deposit	300.00	210.00
TDS Payable	0.10	11.13
Other Liabilities	4.60	0.61
Interest accrued but not due on secured loans	59.62	105.12
	364.32	326.86

SCHEDULE 9: INTEREST & FINANCE CHARGES

Interest on		
Long Term Loan from other than Banks	1,114.05	859.52
Short Term Loan from Banks	364.83	291.47
Short Term Loan from other than Banks	297.62	111.47
Upfront fee on		
Long Term Loan from other than Banks	-	38.00
Short Term Loan from other than Banks	1.12	3.24
Bank Charges	0.08	0.04
	1,777.70	1,303.74

SCHEDULE 10: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS
Accounting Policies

- All items of revenue, whether expenditure or income are accounted for on accrual basis. Income being recognized on the basis of Accounting Standards (AS-9) issued by the Institute of Chartered Accountants of India.
- Interim dividend income from investments is recognized in the Profit and Loss account on cash basis.
- Fixed assets are shown at cost. All expenses including interest incurred upto the date of completion/possession are capitalized.
- Depreciation has been provided on fixed assets on Straight-line method in accordance with Schedule VI of the Companies Act, 1956.
- Long term quoted investments are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.
- Deferred tax has been accounted in accordance with AS-22 issued by the Institute of Chartered Accountants of India.

Notes forming part of the Accounts
7. Details of Security

The borrowings of the company are secured as indicated below:

Secured Loan	Amount (Rs/Lakhs)	Security
Long Term		
(a) IL&FS Financial Services Ltd.	1,500	<ul style="list-style-type: none"> Pledge of 6,670,795 fully paid up equity shares of Rs.10 each of SRF Ltd. held by M/s SRF Polymers Ltd., holding company; Pledge of 1,650,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
(b) Cholamandalam DBS Finance Ltd.	2,000	<ul style="list-style-type: none"> Pledge of 6,600,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; Second charge by way of an equitable mortgage on the immovable property of the company situated at Gurgaon, Haryana; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
Total	3,500	

[out of 3,500 lakhs, an amount of Rs 1,500 lakhs (previous year Rs 800 lakhs) would become due for payment within a year].

Short Term Loans from Bank		
Citibank N.A.	2,901	<ul style="list-style-type: none"> First charge by way of an equitable mortgage by deposit of title deeds of the immovable property of the company situated at Gurgaon, Haryana; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
Total	2,901	
Short Term Loans from other than Bank		
Kotak Mahindra Investments Ltd.	1,000	<ul style="list-style-type: none"> Pledge of 3,200,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.

SICOM Ltd.	1,000	<ul style="list-style-type: none"> Pledge of 3,000,000 fully paid up equity shares of Rs.10 each of SRF Ltd. held by the company; and Corporate Guarantee executed by M/s SRF Polymers Ltd., holding company.
Total	2,000	

8. Security deposit of Rs.300 lakhs represents interest free deposit from SRF Ltd. for leasing of office premises.
9. Diminution in the quoted value of non trade investments in equity shares of SRF Limited is not regarded as permanent and hence no provision is made for diminution in value.
10. Prior period expenses of Rs 551,052 represents reversal of cenvat credit taken by the company and disallowed by the Service Tax Department for the period upto 31st March 2008.
11. Provision for taxation has been made in accordance with provisions of Income-tax Act, 1961. The Deferred Tax Asset is in relation to the loss suffered under the head "Income from House Property" and does not include carry forward business losses. The details of Net deferred tax asset of Rs 6,696,210 (previous year 7,527,009) are as under:

Particulars	31.03.2009	31.03.2008
Deferred tax assets on account of:		
Loss from House Property	5,870,380	5,875,349
Interest for the Pre-occupation period	825,830	1,651,660
Total	66,96,210	7,527,009

12. Commitment for investment in the proposed subsidiary company amount to Rs 500,000/- in respect of 50,000 equity shares of Rs 10 each.

13. Related Party Transactions

As per AS-18 issued by the Institute of Chartered Accountants of India, the related parties of the Company and transactions with them are disclosed as under:

Key Management Personnel (a)	Associate (b)	By virtue of control (c)
Ekta Maheshwari	SRF Ltd.	SRF Polymers Ltd. (holding company)

Rs/Lakhs

Nature of Transaction	(a)		(b)		(c)	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Rent received	-	-	376.63	213.00	-	-
Security Deposit Received	-	-	90.00	--	-	-
Loans given	-	-	-	-	-	2,825.00
Refund of loans given	-	-	-	-	2,170.00	655.00
Loans taken	-	-	2,500.00	-	3,070.00	-
Repayment of loans taken	-	-	2,500.00	-	150.00	-
Interest received	-	-	-	-	225.35	78.55
Interest paid	-	-	39.76	-	-	-
Remuneration Paid	3.31	0.26	-	-	-	-
Reimbursement for expenses	-	-	-	-	3.31	0.26

14. Operating Lease

The Company has entered into operating lease agreement with M/s SRF Limited for office premises owned by it. In terms of Accounting Standard 19 (AS-19) on "Leases" issued by the Institute of Chartered Accountants of India, the arrangement is non-cancelable in nature. The disclosures required by AS-19 are set out below:

- The disclosures relating to gross carrying amount, the accumulated depreciation at the balance sheet date have been made in schedule 5 to the balance sheet. No impairment losses have ever been recognized and hence no impairment losses are reversed.
- the future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:

(Rs/Lakhs)

Particulars	As at 31.03.2009	As at 31.03.2008
(i) not later than one year	605.70	213.00
(ii) later than one year and not later than five years	353.33	337.25
(iii) later than five years	-	-
Lease Rent recognized in the profit and loss account	376.63	213.00

The Lease is for a period of five years from 1st November 2005 to 31st October 2010 and the present monthly rent is Rs 50.47 lakhs per month.

15. Previous year figures have been regrouped/rearranged wherever necessary.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration details

Registration No.	713
State Code	7
Balance Sheet date	31-03-2009

II. Capital raised during the year (Rs.000s)

Public issue	NIL
Rights issue	NIL
Bonus issue	NIL
Private placement	NIL

III. Position of mobilisation of and deployment of funds (Rs.000s)

Total liabilities	1558013
Total assets	1558013

Sources of funds

Paid-up Capital	420500
Reserves and Surplus	5430
Secured Loans	840083
Unsecured Loans	292000

Application of funds

Net fixed assets	226892
Investments	1330207
Deferred Tax Asset	6696
Net current assets	-5783
Miscellaneous expenditure	NIL
Accumulated losses	NIL

IV. Performance of the company (Rs.000s)

Turnover	181094
Total expenditure	183139
Profit before tax	-2045
Profit after tax	-3454
Earnings per share (Rs.)	-0.82
Dividend rate (%)	NIL

V. Generic names of three principal products/services of the company

(as per monetary terms)	
Item code no. (ITC Code)	N/A
Product description	N/A

As per our Report of even date

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

(V.Rajaraman)
Partner
M.No. 2705

(Ekta Maheshwari)
WHOLE TIME DIRECTOR
& CO. SECRETARY

(Rajat Lakhnupal)
DIRECTOR

(Arun Bharat Ram)
DIRECTOR

Place: Gurgaon

Dated: 12th June, 2009

Cash Flow Statement for the year ended on 31st March 2009

		Amount (Rs/lakhs)	
		Year Ended 31.03.2009	Year Ended 31.03.2008
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and extra-ordinary items	(20.45)	(208.00)
	Adjustments for		
	Interest & Finance Charges (Net)	1,519.58	1,206.08
	Depreciation	39.16	39.16
	Profit on Sale of Investments	-	(0.14)
	Income from Dividend	(1,176.20)	(828.40)
	Operating Profit before working capital changes	362.09	208.70
	Adjustments for		
	Trade and Other Receivables	2,143.55	(2,196.57)
	Trade Payables and Provisions	37.46	70.31
	Cash Generated from operations	2,543.10	(1,917.56)
	Interest & Finance Charges (Net)	(1,519.58)	(1,206.08)
	Taxation	-	-
	Net Cash from operating activities (A)	1,023.52	(3,123.64)
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Investments	(1,000.23)	(2,364.22)
	Sale of Investments	693.91	1,659.15
	Income from Dividend	1,176.20	828.40
	Net Cash used in Investing Activities (B)	869.88	123.33
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds of long term borrowings (net)	(6,150.00)	1,002.45
	Proceeds of Short term borrowings (net)	3,499.83	2,341.00
	Net cash used in/ from financing activities (C)	(2,650.17)	3,343.45
	Net increase in Cash and Cash Equivalents D=(A+B+C)	(756.77)	343.14
	Cash & Cash equivalents at the beginning of the year (E)	967.40	624.26
	Cash & Cash equivalents at the close of the year F =(D+E)	210.63	967.40

(Ekta Maheshwari)
Whole Time Director &
Company Secretary

(Rajat Lakhanpal)
Director

(Arun Bharat Ram)
DIRECTOR

We have certified the above cash flow statement of SRF Polymers Investments Limited derived from the audited financial statements for the year ended March 31, 2009 and other records and found the same to be drawn in accordance there with and also with the requirements of clause 32 of the listing agreements with the Stock Exchange.

for THAKUR VAIDYANATH AIYAR & CO.
Chartered Accountants
V RAJARAMAN
Partner
M.No. 27058

Place: New Delhi
Date: 12th June, 2009



SRF POLYMERS LIMITED

Regd. Office : C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110 016

Corporate Office : Block C, Sector-45, Gurgaon - 122 003 (Haryana)

ADMISSION SLIP

DP Id	
Client Id	

Registered Folio No.

No. of Shares held

PARTICULARS TO BE COMPLETED BY MEMBER/PROXY

Name

Address

I/we hereby record my/our presence at the 9th Annual General Meeting of the Company held at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 on Friday, 25th September, 2009 at 11.00 A.M.

Signature of Member/Proxy

ATTENDANCE SLIPS WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED

NOTES:

1. Please produce this slip duly completed at the entrance.
2. The attendance counter will open at 10.30 A.M.
3. Tea, Coffee and cold drink will be served at the meeting.
4. Change in address should be intimated promptly under signature of the member, quoting folio number.
5. Please bring your copy of annual report to the meeting.



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PROXY FORM

DP Id	
Client Id	

Registered Folio No.

No. of Shares held

I/We ofbeing member(s) of SRF POLYMERS LIMITED, hereby appoint of or failing him/her ofas my/our proxy to attend and vote for me/us on my/our behalf at the 9th Annual General Meeting of SRF POLYMERS LIMITED to be held at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 on Friday, 25th September, 2009 at 11.00 A.M. and at any adjournment thereof.

Signed this day of 2009 Signature.....

Affix
30 Paise
Revenue
Stamp

NOTES:

1. A proxy in order to be effective, must reach the Registered office of the Company not less than 48 hours before the scheduled time of the meeting.
2. The member himself or his constituted attorney may sign the proxy.
3. Where a proxy is appointed, the member should handover the attached Admission Slip to the proxy.
4. The Company reserves the right to ask for identification of the proxy.
5. A proxy cannot speak at the meeting or vote on a show of hands.



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