



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

National Stock Exchange of India Limited  
"Exchange Plaza"  
Bandra-Kurla Complex  
Bandra (E)  
**Mumbai 400 051**

SRF/SEC-D/16

19.02.2016

**Subject: interaction with Institutional Investors in London and Edinburgh**

Dear Sir,

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that Mr. Rajendra Prasad, President & Chief Financial Officer will be interacting with the Institutional Investors in London and Edinburgh from 22<sup>nd</sup> Feb 2016 to 24<sup>th</sup> Feb 2016. The meet is being organized by M/s. Motilal Oswal Securities Ltd.

A copy of presentation to be made at the said interaction has been placed on the website of the Company ([www.srf.com](http://www.srf.com)) and also enclosed for your reference.

Thanking you,  
Yours faithfully,

**FOR SRF LIMITED**

**SANJIV SHARMA  
(COMPLIANCE OFFICER)**

**SRF LIMITED**

Block-C Sector-15  
Gurgaon 122 003  
Haryana India  
Tel: +91-124-4354400  
Fax: +91-124-4354500  
E-mail: [info@srf.com](mailto:info@srf.com)  
Website: [www.srf.com](http://www.srf.com)

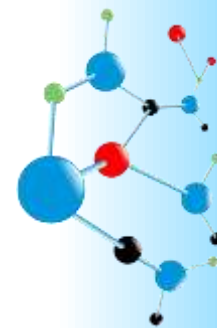
Regd. Office:  
C-8 Commercial Complex  
Safdarjung Development Area  
New Delhi 110016



# SRF Limited

Investor Presentation

February 2016



Diversity

Innovation

Performance



*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. SRF Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.*

- **Company Overview**
- **Business Segments**
- **Consolidated Snapshots**
- **Outlook**
- **Other Milestones**



**India**



**Thailand**



**South Africa**

## **Company Overview**

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### Our legacy since 1889

Known as one of India's respected business houses



### Group known for philanthropic work

Run and manage some of the premiere academic institutions of India



### Winner of Deming Prize

2004: Tyre Cord Business

2012: Chemicals Business

## SRF is

- A multi-business manufacturing entity
- An Indian multinational
- Engaged in the manufacture of chemical based industrial intermediates



9 plants in India

4 plants abroad



## Early Entrants in India

- **Nylon tyre cord fabrics**
- **Belting fabrics**
- **Coated fabrics**
- **Specialty chemicals**
- **Refrigerants**
- **Engineering plastics**

## Only Company in India

- manufacturing **HFC-134a** with in-house technology

- supplying **HFC 134a Pharma** under a global brand

- manufacturing **polyester tyre cord fabrics**





## Global No. 2

- Nylon 6 tyre cord fabrics
- Belting fabrics

## India No. 1

- Tyre cord
- Belting fabrics
- Refrigerants
- Specialty chemicals
- Fishnet twine
- Engineering plastics

## India No. 2

- Packaging films

**668 MN**

Revenues

**82 MN**

EBIT

**3**

No of Business Segments

**5,500**

Global Workforce

**13/3**

Manufacturing locations /  
No. of Countries

**75**

No. of Countries Exporting to

## Technical Textiles

- Tyre cord fabrics (nylon & polyester)
- Belting fabrics
- Coated fabrics
- Laminated fabrics
- Industrial yarns

## Chemicals & Polymers

### Fluorochemicals

- Refrigerants
- Chlorinated solvents

### Specialty Chemicals

- Organic intermediates

### Engineering Plastics

- Polymer compounds

## Packaging Films

### Films for Flexible Packaging

- Bi-axially Oriented Polyethylene Terephthalate (BOPET)
- Bi-axially Oriented Polypropylene (BOPP)

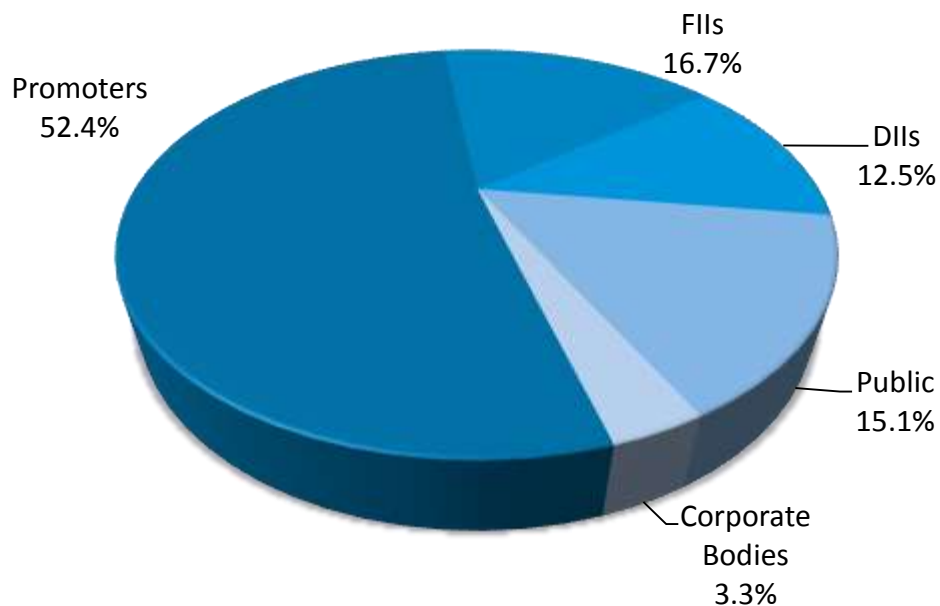
Revenue	299
Operating Profit	29
Number of Plant Locations	7

Revenue	186
Operating Profit	44
Number of Plant Locations	4

Revenue	183
Operating Profit	9.4
Number of Plant Locations	4



## Shareholding Pattern (31st December 2015)



Prominent Shareholders	% of total capital
Amansa Holdings Private Limited	5.14
Sundaram Mutual Fund	2.50
Goldman Sachs India Fund Limited	2.08
DSP Blackrock Small AND Mid Cap Fund	1.23
DSP Blackrock Micro Cap Fund	1.18
UTI-Mid CapFund	1.17

Incorporated as  
**Shri Ram Fibres**

Commences production of  
nylon engineering plastics

Commenced production  
of coated fabrics

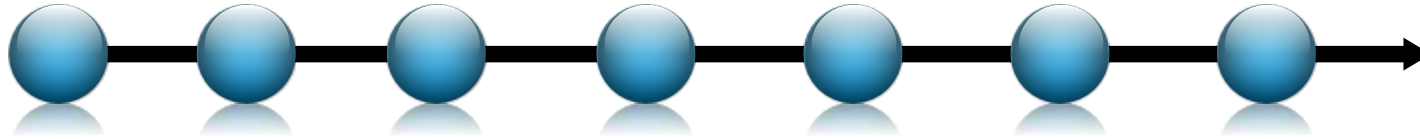
Shri Ram Fibres  
renamed as **SRF Ltd**

**1970**

**1979**

**1986**

**1990**



**1974**

**1983**

**1989**

Commenced  
operations of  
nylon tyre cord at  
Manali

Commissioning of Belting  
Fabrics facilities

Entered Chemicals Business with  
production of refrigerants

Ventured into  
Packaging Films  
Business

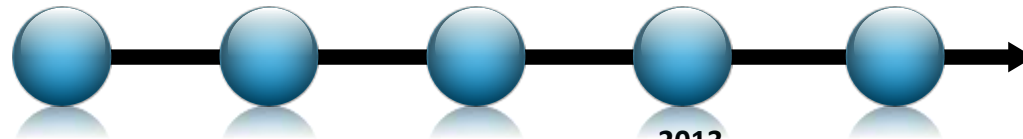
New Chemical  
Complex partly  
commissioned at  
Dahej, Gujarat in  
India

Acquired Global  
Dupont™ **Dymel® HFC  
134a Pharma** Business

**1995**

**2012**

**2015**



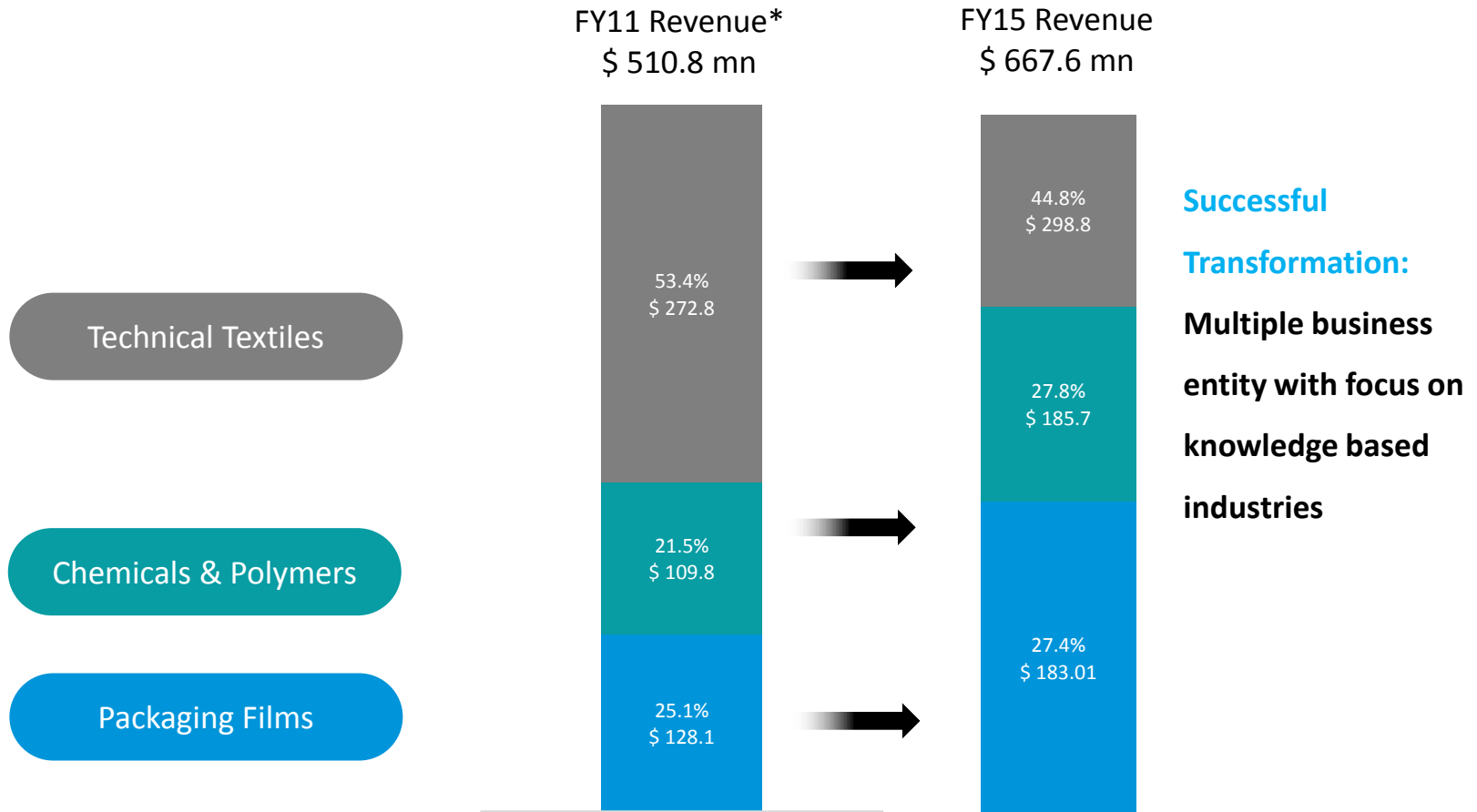
**2008**

**2013**

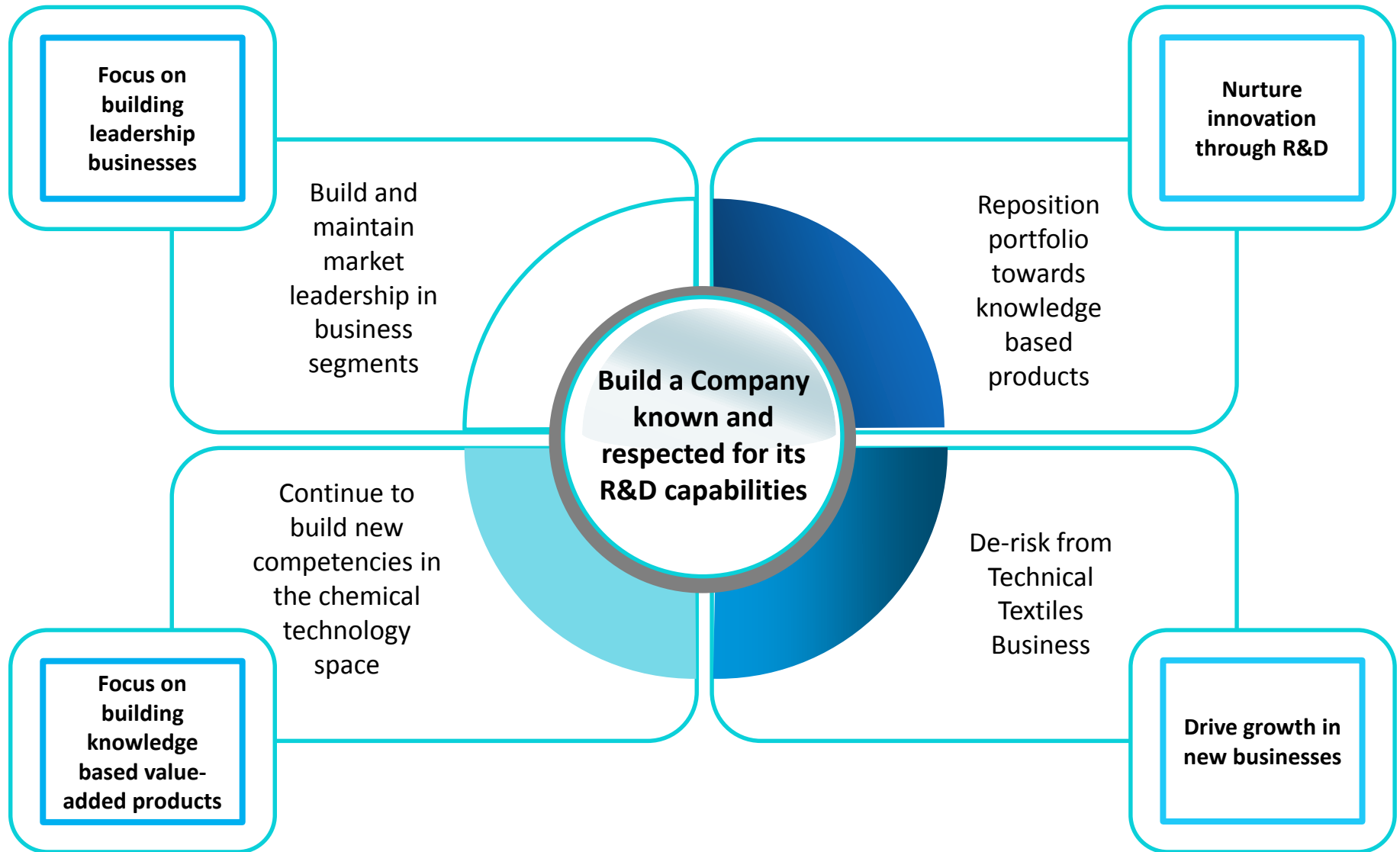
Made 2 overseas  
acquisitions, one for tyre  
cord plant in Thailand, the  
other one for belting fabrics  
in South Africa

Set up facilities in  
Thailand and South  
Africa in the  
Packaging Films  
Business

Relative Composition (in %) of Businesses



\*FY11 : Chemicals & Polymers revenues include \$ 20.12 Mn from CER's





**Mr. Arun Bharat Ram**  
Chairman



**Mr. Ashish Bharat Ram**  
Managing Director



**Mr. Kartik Bharat Ram**  
Dy Managing Director



**Mr. Rajdeep Anand**  
President (CTG)



**Mr. Sushil Kapoor**  
President & CEO (TTB)



**Mr. Rajendra Prasad**  
President & CFO



**Mr. Prashant Yadav**  
President & CEO (FCB & EP)



**Mr. Prashant Mehra**  
President & CEO (PFB)



**Mr. Anurag Jain**  
President & CEO (SCB)



**Mr. Sanjay Chatrath**  
President & CEO (TCF)



**Mr. Ajay Chowdhury**  
President & CHRO






Technical Textiles

Chemicals & Polymers

Packaging Films



## Business Segments



**Despite increase in radialisation of bus & truck tyre segment, the demand for NTCF is expected to remain stable on account of growth in Tractor, 2 wheeler and OTR tyre segments**



**Continues to be the domestic market leader and ranked world Number 2 in Nylon 6**



**Free cash flow generating business, no major investments anticipated**


**Four facilities located in India and one in Thailand with a total capacity of nearly 50 KTPA Nylon 6 yarn and around 60 KTPA conversion**



**Global surplus in PTCF leading to lower realisations; yarn developed for alternate applications**



**Only manufacturer of polyester tyre cord fabrics in India**



**Largest manufacturer of belting fabrics in India and second largest in the world; domestic market share ~60%**




**Segment reporting healthy performance; anticipated improvement in infrastructure sector to provide further boost**

**Facilities located in India and South Africa**



**State-of-the-art coating line offers PVC coated fabric with Acrylic / PVDF finishes and polyurethane coated fabrics**



**Integrated manufacturing facility from polyester yarn to fabricated articles**

**Economic slowdown has impacted performance – operating at low utilisation levels**

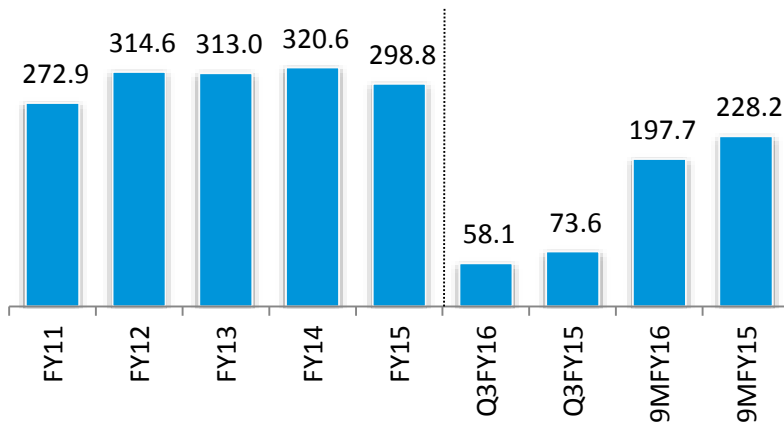
**Laminated fabric is a combination of a polyester fabric with a film (PVC or another) on either or both sides**

**Lower advertising spends on account of slowdown has led to subdued demand**

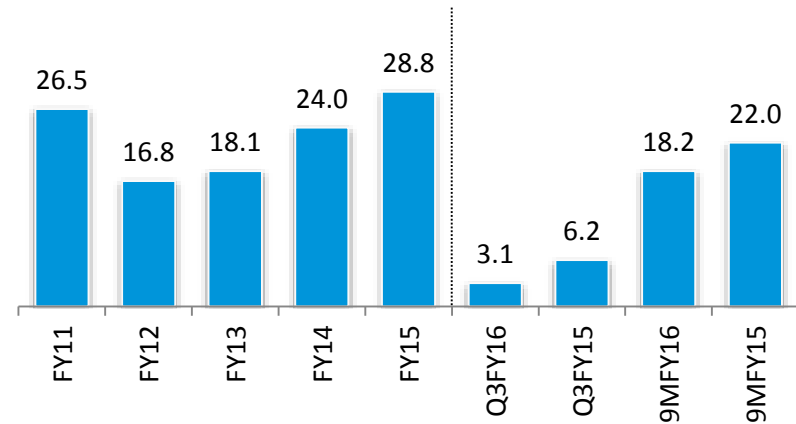
**Modern facility in Uttarakhand, India; also equipped for Hot Lamination**



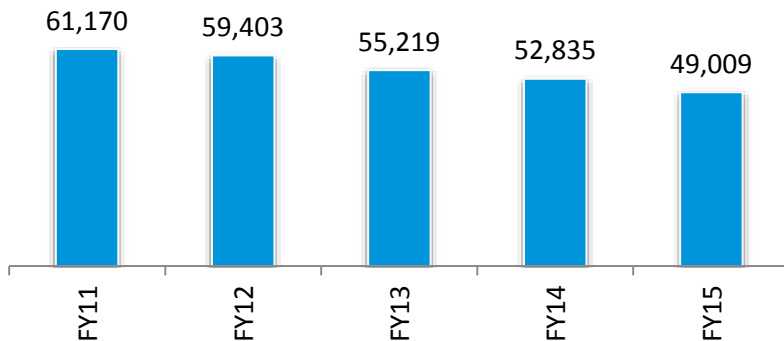
## Revenues



## Operating Profits



## Tyre Cord Sales Trend (in MTs)



- Free cash flow generating business with stable contribution to overall revenues and profitability
- Capex worth \$ 9.71 mn approved for modernisation of textile twisting process at Gwalior plant, nearing completion
- Future Investments for modernisation & technology up-gradation



Technical Textiles

Chemicals & Polymers

Packaging Films



## Business Segments



- Refrigerant portfolio consists of R-22, R-134a and HFC blends: R-410A, R-404A and R-407C and R32 production to commence soon



- Only manufacturer of R-134a in India



- Global size capacity for R-134a with two manufacturing facilities in India
- Over 40% share of the Indian market besides being well accepted worldwide

- Global distribution network, well positioned to service the international market, witnessing favorable industry dynamics

- Entered pharma segment with acquisition of Dymel, HFC 134a/Pharma from Dupont. SRF's own plant expected to be commissioned this year



## Multi Product

:

## Multi Customer

:

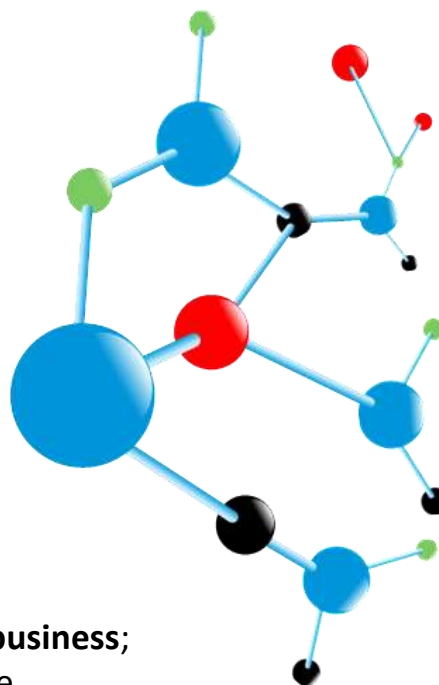
## Multi Application

Cross-selling amongst existing and new customers

Developed an intermediate building block for the medicine that is being referred to as a wonder drug for treatment of **Hepatitis C**

One of the few players in the world to have developed the capability to commercialize all possible ways of **fluorination** known to mankind

**IPR and knowledge oriented business;** unmatched in India and unique advantage over low cost manufacturers in China



More than **25 years of concerted R&D efforts and experience** in handling fluorine molecules; one of the most hazardous chemicals

Team of over **200 employees** covering R&D, pilot projects and engineering design

Success in commercialisation of over 40 molecules; over **50 molecules** at various stages of development

Has become a critical supplier of intermediates for the innovators in the field of **pharma** and **agro chemicals**

- **The Chemicals Technology Group (CTG) is actively engaged in the development of new process technologies**
  - Key focus on the niche area of fluorinated molecules
- **Strong internal competencies and capabilities**
  - Equipped with state-of-the-art R&D facilities and an ingenious team of scientists and engineers
- **2 R&D centres in India**
- **ETP capex of \$ 2.2 mn has recently been announced**
- **Filed 14 process patents during 9M FY2016 taking the tally to 72 patents filed till date, out of which 4 have been granted**



- Presently developing 126 acres out of 293 acres in Phase I
- Facilities to produce multiple products with focus on fluorochemicals and specialty chemicals
- Gross value of Fixed Assets as on 31st Dec'15 aggregating to around \$ 274.3 million
- Capex includes investments in dedicated plants for Specialty Chemicals
  - \$7.2 mn for pharma raw material capitalised at \$ 6.4 mn
  - \$ 16.6 mn for P17, Phase I capitalised at \$10.5 mn, Phase II capitalised at \$ 6.3 mn
  - \$20.6 mn for MPP2, Phase 1 capitalised at \$17.8 mn
- Capex worth \$6.9 mn approved for:
  - setting up a dedicated Pharma facility at Dahej

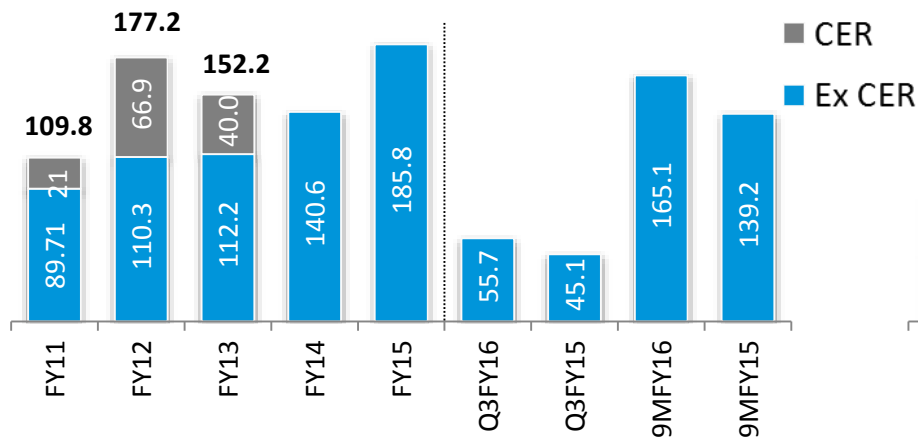


## Operational Units

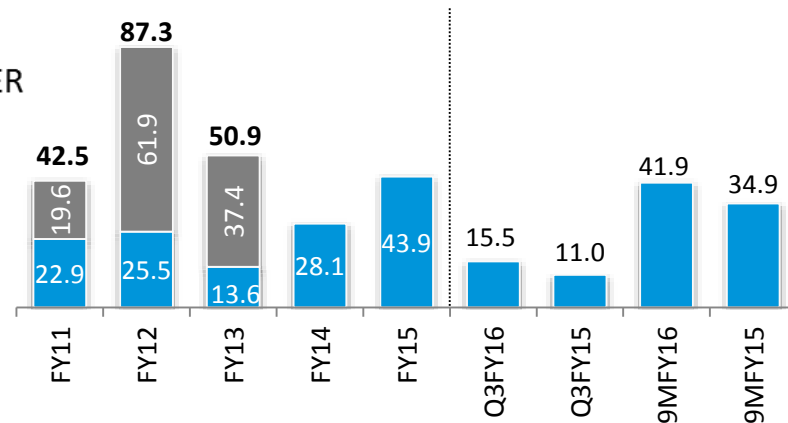
- Multiple Specialty Chemicals plants
- Multiple Flexible Manufacturing plants
- New Global Scale HFC 134a plant
- Chlorinated Solvent Plant
- 15 MW Captive Power plant



## Revenues



## Operating Profits



- In spite of slow down in agri sector, long-term outlook for Specialty Chemicals Business remains robust on the back of SRF's R&D strengths and client trust
- Expect higher volumes of HFC-134a going forward
- Continued focus on Dahej, better utilization of past capexes
- SRF's focus on pharma continues and begins to yield results
- Expansion into complex and advanced fluorine and other chemistries



Technical Textiles

Chemicals & Polymers

Packaging Films



## Business Segments



**Industry estimated to grow at apprx 6% p.a. globally and apprx 10% - 12%p.a. domestically**



**Domestic industry moving towards higher capacity utilisation**



**SRF remains the second-largest manufacturer of thin BOPET films in India**

**SRF's overseas units in Thailand and South Africa operating at full capacities**





## BOPP Plant at South Africa

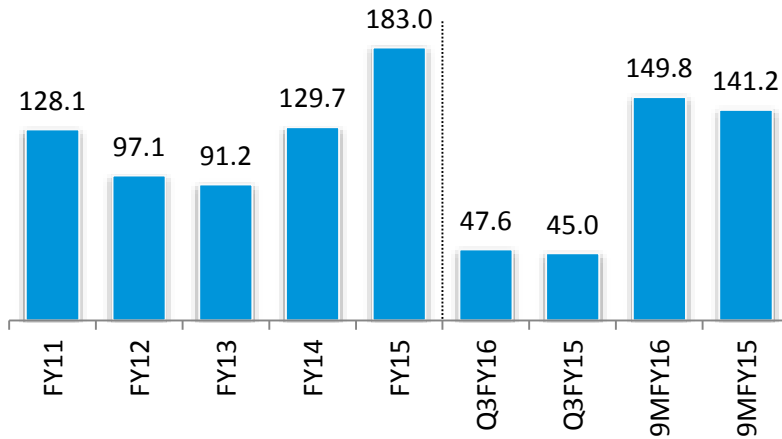
- Set up a greenfield BOPP film plant and a vacuum metallisation plant in KwaZulu Natal, South Africa in 2013
- World class facility with 25,500 TPA capacity
- Plant made profit in the first full year of operations after initial hiccups; operations now fully stabilised
- Obtained approvals from major customers; becoming solo supplier to many global companies

## BOPET Plant at Thailand

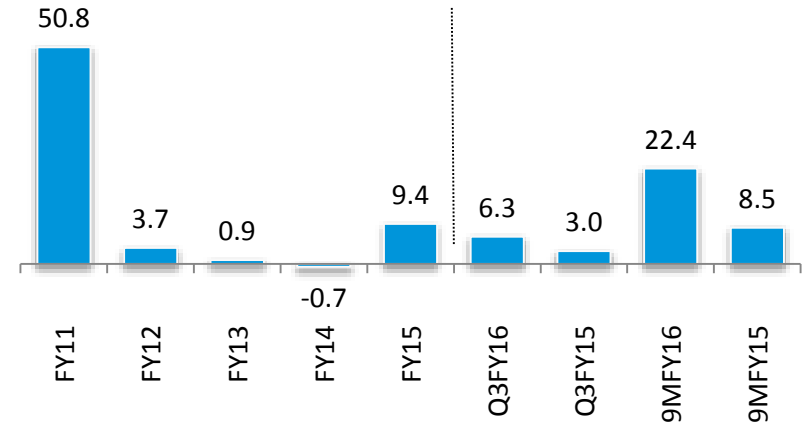
- Set up a greenfield BOPET film plant and a vacuum metallisation plant in Rayong, Thailand in 2013
- World class facility with 28,500 TPA capacity
- In first full year of operations the unit became the market leader in domestic Thailand market
- Products accepted in quality conscious markets like Japan and South Korea, with consistent demand from these regions



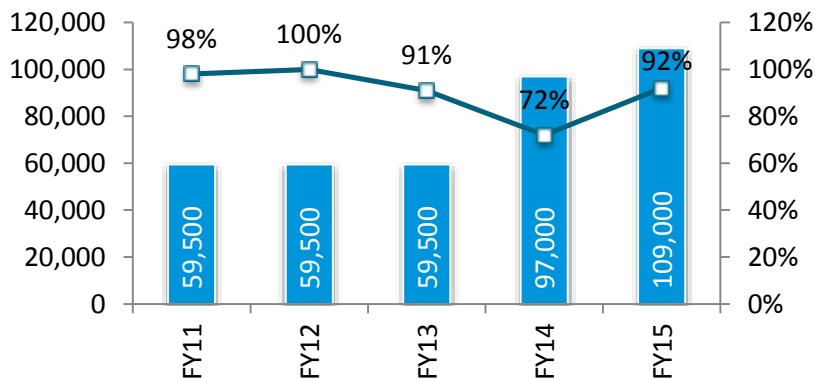
## Revenues



## Operating Profits



## Packaging Films Capacity and Utilisation Trend

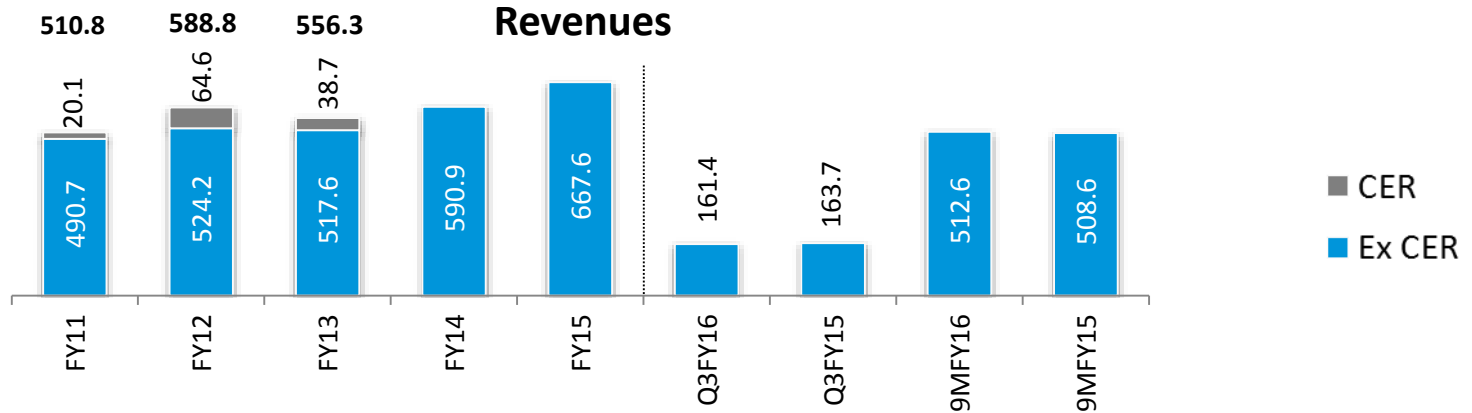


- Improving revenues, efficiencies and higher margins leading to healthy performance
- Global facilities in Thailand and South Africa contributing positively to profitability
- Establishing a new greenfield Line in Indore at an estimated cost of \$52.35 mn



## Consolidated Snapshots

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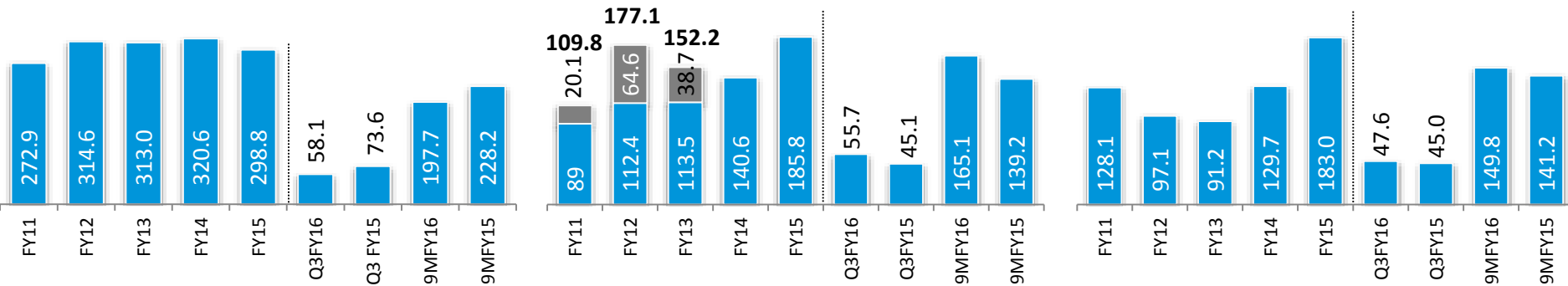


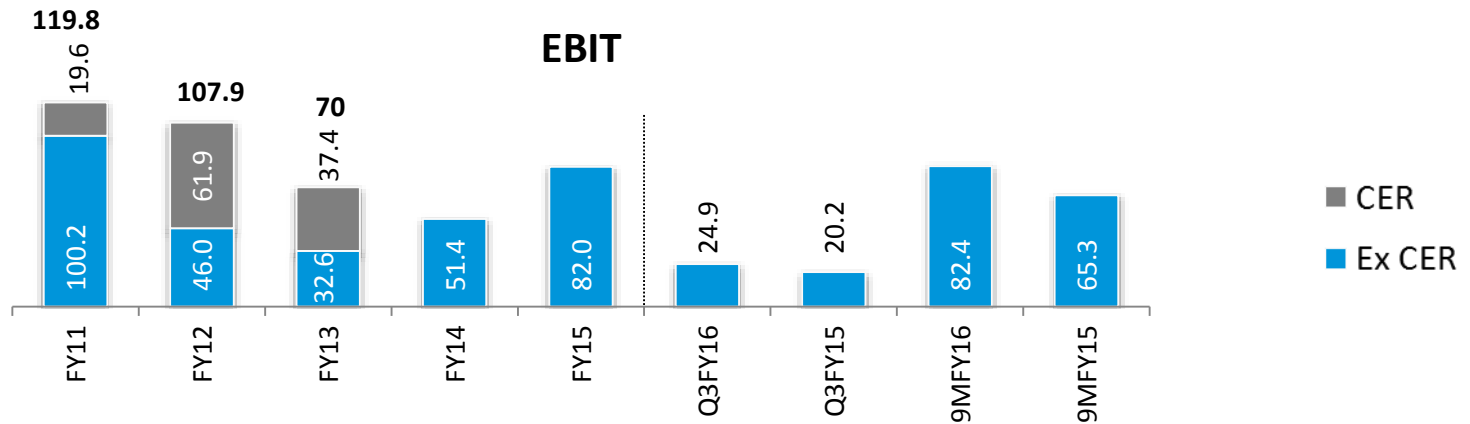
## Business Segments

### Technical Textiles

### CPB

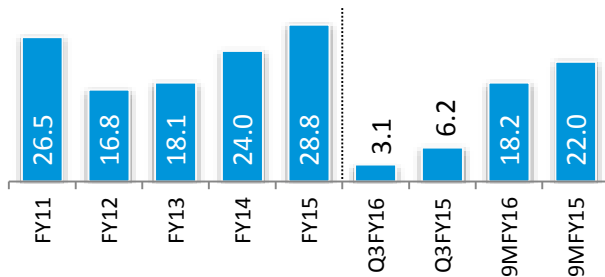
### Packaging Films



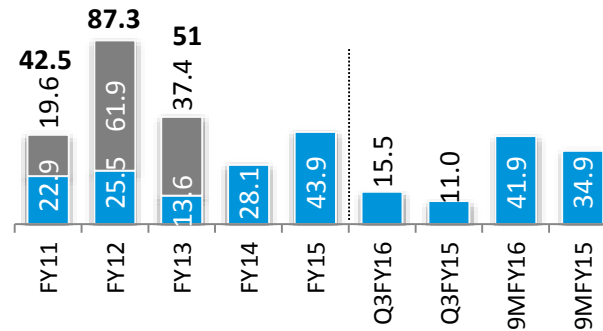


## Business Segments

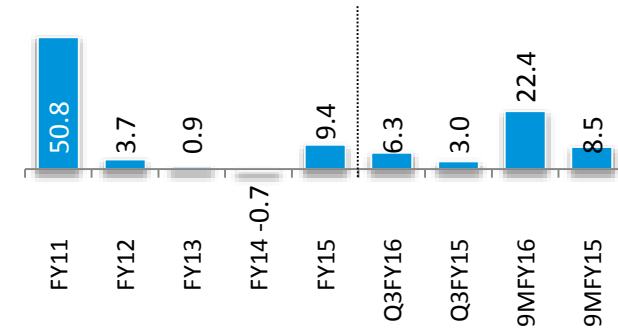
### Technical Textiles



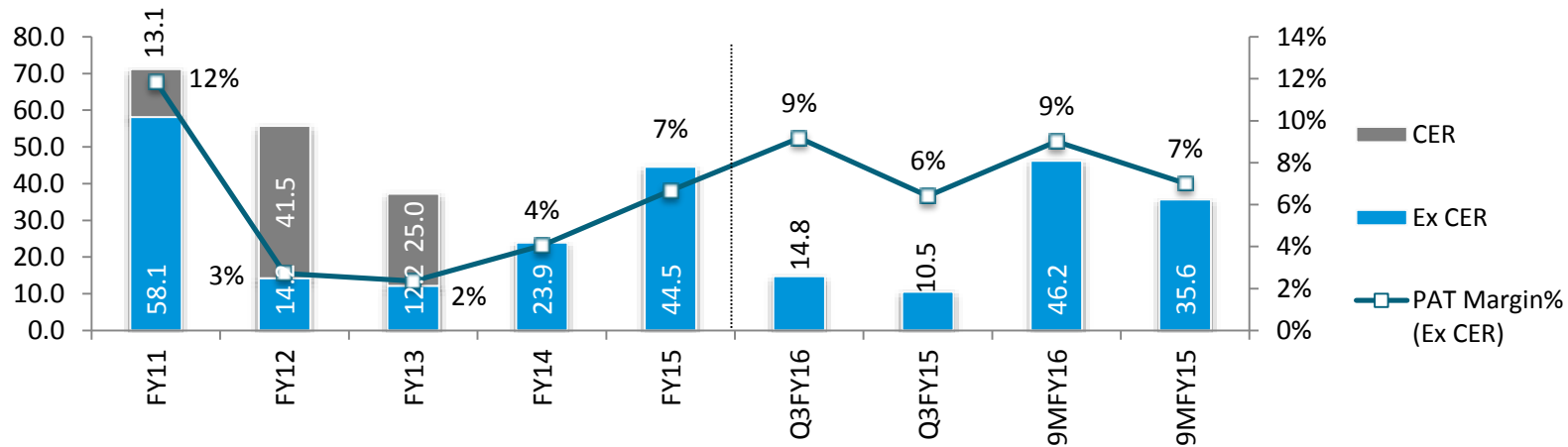
### CPB



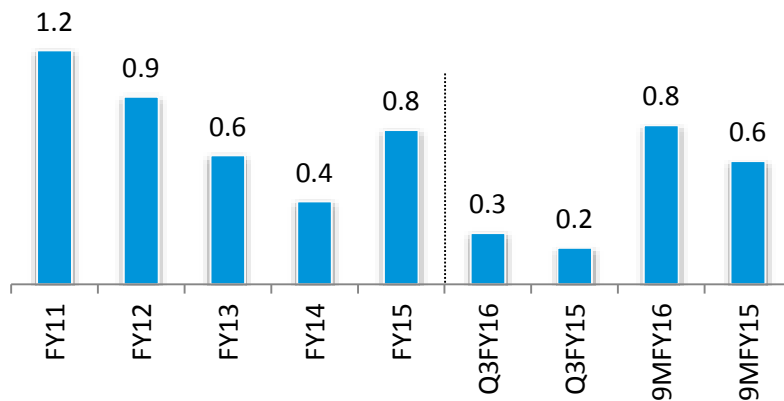
### Packaging Films



## PAT

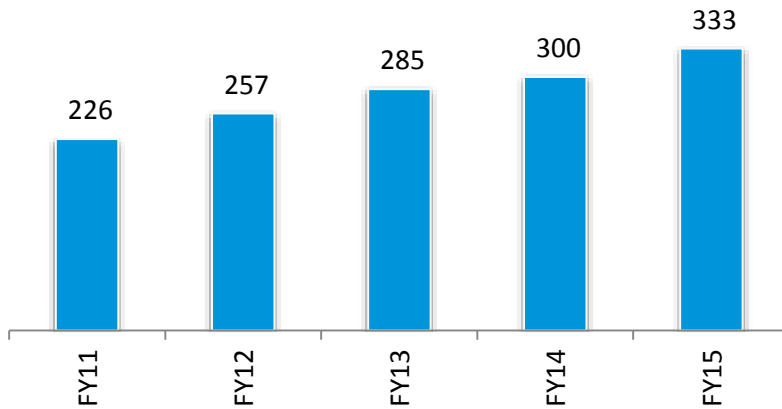


## EPS (\$.)

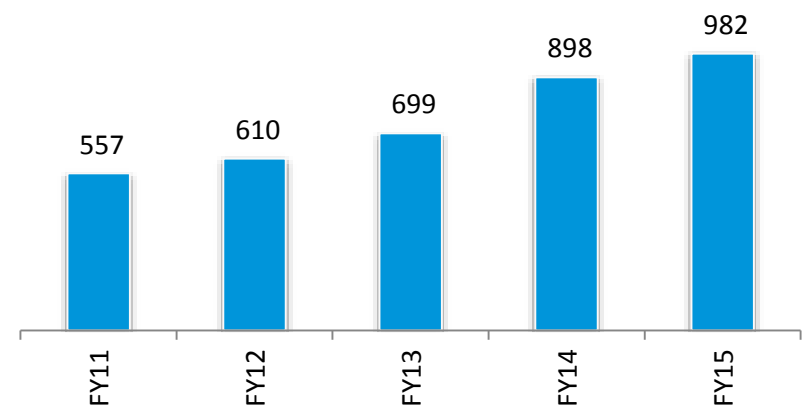


- Focus of investments in higher margin businesses
- Higher Capacity utilisation for the existing plants
- New capexes to further enhance the financial performance of the Company

## Networth

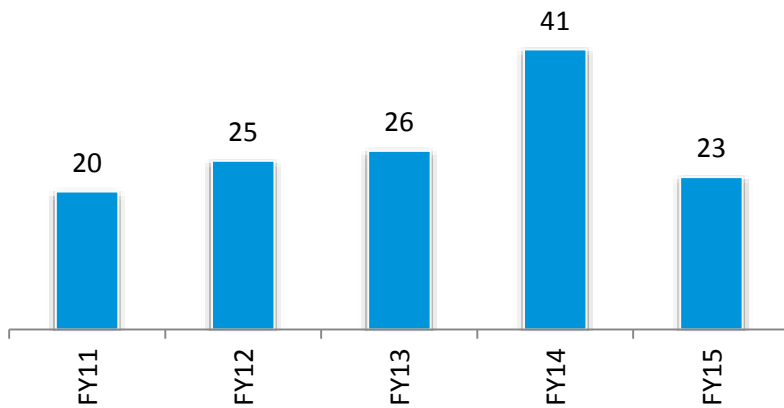


## Gross Block



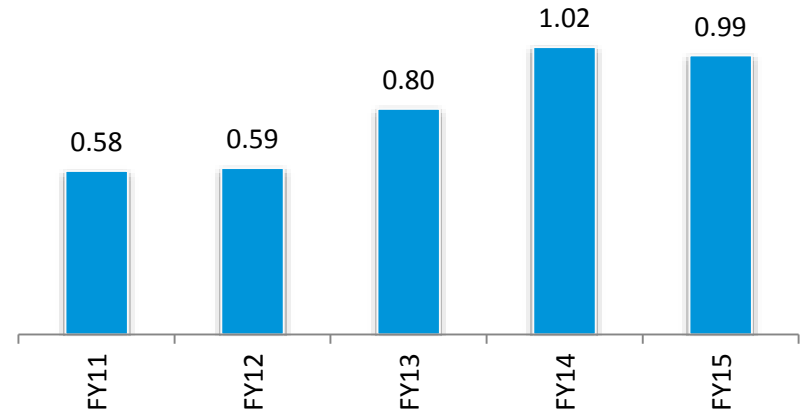
- **Dahej facility to produce multiple products with focus on specialty chemicals and fluorochemicals**
- **Return ratios are expected to improve as capex incurred leads to growth and profitability**

### Dividend Payout\* (%)

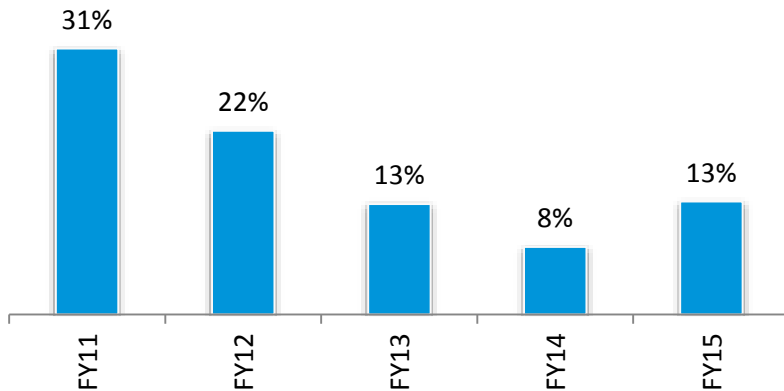


\* Including Corporate Dividend Tax

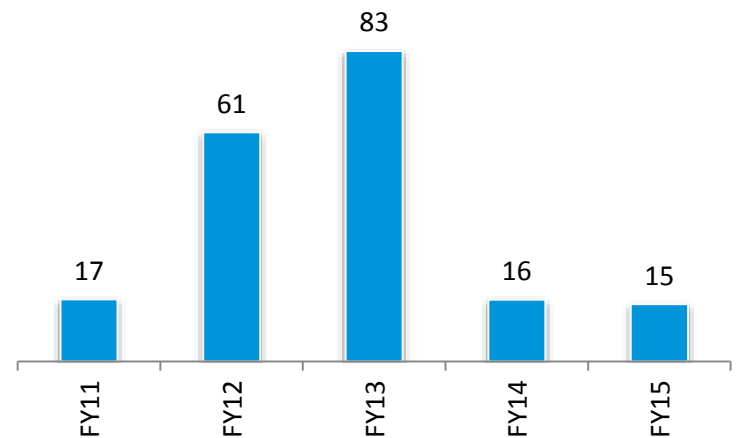
### Net Debt: Equity (x)



### RONW (%)



### CWIP





## Outlook

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- **NTCF is expected to remain a key business in the segment and a generator of steady cash flow**
- **Demand for NTCF to mirror Indian GDP growth as it is closely linked to the transportation sector**
- **Macroeconomic environment to have an impact on coated and belting fabric segments going forward**





- **Future potential and prospects of the Specialty Chemicals Business remain robust**
- **Focus on expanding range of specialty products and moving towards higher value-added products in the agrochemical and pharmaceutical sectors**
- **Ongoing investments in R&D leading to a healthy pipeline of new products**

- Driven by the robust FMCG growth and fast urbanisation, domestic market in India is expected to grow by 10% year-on-year
- Focus on having efficient cost structures, enhanced capabilities and incorporating more value-added products in the portfolio
- International operations to report improved profitability in FY16





## Other Milestones

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## Winner of Deming Prizes for 2 businesses

Chemicals  
Business  
2012



Tyre Cord  
Business  
2004



SRF in  
Forbes'  
'Best  
Under a  
Billion List'  
2011



CII-ITC  
Sustainability  
Awards

2008 Strong  
Commitment

2009, 2010 & 2011  
Significant  
Achievement

2013 Sustainability  
Prize



## Best CFO Award



2012: 'Best CFO' presented by a leading Indian business magazine **BusinessWorld**



## CSR Awards

2012 Businessworld FICCI CSR Award

2013 Aaj Tak Care Awards

2013 Greentech CSR Award





## Education

Undertakes up-gradation of government schools under '**Quality Education for All**' programme, covering 90 primary and middle schools across 60 villages; impacting more than **25,000 children** spread across 6 states in India



## Vocational Skills

Undertakes several initiatives to improve the employability of people especially the younger generation from the disadvantaged communities by way of **providing vocational skills**



## Natural Resource Management

Continues to reach out to poor families in Alwar district in India to improve their livelihood; **impacting 6,500 families spread over 38 villages**



## Health

Continues to **organise various health camps** ranging from medical awareness, diabetes, eye check-ups, blood donation, etc, besides **ongoing HIV/ AIDS Awareness events and HIV Testing programmes** in all plant locations

Established in 1970, SRF as a group has today grown into a global entity with operations in 3 countries. Apart from Technical Textiles Business, in which it enjoys a global leadership position, SRF is a domestic leader in Refrigerants, Engineering Plastics and Industrial Yarns as well.

The Company also enjoys a significant presence among the key domestic manufacturers of Polyester Films and Specialty Chemicals. Building on its in-house R&D facilities for Chemicals Business and Technical Textiles Business, the company strives to stay ahead in business through innovations in operations and product development. A winner of the prestigious Deming Prize for two of its businesses namely Tyre Cord and Chemicals, SRF continues to redefine its work and corporate culture with the TQM as its management way.

#### **For further information please contact**

##### **Mukund Trivedy**

Head of Corporate Communications

SRF Limited

Mobile: +919871709177

Email: [mukund.trivedy@srf.com](mailto:mukund.trivedy@srf.com)

##### **Anoop Poojari / Karl Kolah**

CDR India

Tel: +91 22 6645 1211 / 1220

Email: [anoop@cdr-india.com](mailto:anoop@cdr-india.com); [karl@cdr-india.com](mailto:karl@cdr-india.com)





Thank you

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