



SRF Q1 Revenues at Rs. 405 crore, PAT at Rs. 56 crore

- *Q1 PBIDT at Rs. 115.4 crore*
- *Q1 PBT at Rs. 81.2 crore*
- *Interest charges at Rs. 726 lakh, a reduction of Rs. 110 lakh over CPLY*
- *SRF Board approves capital expenditure worth approx. Rs. 270 crore*

New Delhi, 20th July 2007: SRF Limited, a leading Indian player in Technical Textiles, Refrigerant Gases and having operating interests in Packaging Films and Pharma Intermediates sectors, posted a net profit (Profit After Tax) of Rs. 56 crore for the first quarter of 2007-08. The company's PAT for Q1 of the current financial year was lower by 31% over the corresponding period last year (CPLY). The revenues of the company at Rs. 405 crore during the period was lower by 11.5% over Rs. 457 crore recorded during CPLY. The financial results of SRF were taken on record by SRF's Board in a meeting held this afternoon.

Pressure on margins, higher depreciation charges due to additional impact of change in depreciation policy and reduction in the sales of carbon credits are some of the key reasons for the company's lower profitability as compared to CPLY.

Reflecting on the financial performance of the company, **Mr. Ashish Bharat Ram, Managing Director, SRF Limited**, explained: "The strengthening of the rupee has adversely impacted all our businesses with lower revenues and lower margins. In spite of seeing the lowest margins historically, we managed to generate a marginal profit. Volumes are picking up and we expect to see a corresponding increase in margins subsequently. The heartening factor in our results was the turnaround of the Packaging Film Business. While short term volatility will continue, the demand growth remains extremely robust. The other significant event for us was the commissioning of our 134-a refrigerant gas plant. This is expected to add to the topline and bottomline of the Chemical Business going forward."

PERFORMANCE OVERVIEW:

The company's PBIDT during the first quarter of 2007-08 was 20.7% lower at Rs. 115.4 crore against Rs. 145.5 crore during CPLY and its PBT at Rs. 81.2 crore was down by 32.3% over Rs. 120 crore recorded during CPLY. The company's cash profit at Rs. 84.9 crore during April-June'07 was lower by 19% against Rs. 105.4 crore recorded during CPLY. SRF's earnings per share (EPS) for the first quarter of the current financial year was Rs. 8.25 while Cash EPS was Rs. 12.51 for the quarter ended on 30th June 2007. SRF brought its interest charges down to the level of Rs. 726 lakh against Rs. 836 lakh recorded at the end of Q1 last year.

CAPEX PLAN

The SRF board also approved four capital expenditure proposals at the total investment of approximately Rs. 270 crore in a meeting held today. One of the major facilities will be the installation of the Polyester Industrial Yarn Spinning Unit with downstream facilities for usage in Technical Textiles at a total investment of approx Rs.250 Crore. This will enable SRF, a leading tyre cord and belting fabric producer, to leverage the growing demand for belting fabrics on account of spurt in the user industries in infrastructure and mining globally. Besides, SRF will also be able to participate in fabric business for radial tyres for the new generation automobiles.

Responding to a query on the prospect of the expansion projects in Technical Textiles Business, **Mr. Ashish Bharat Ram**, said, "We believe that investing in Polyester Industrial yarn will open new business horizon for us in an exciting new area."

Installation of a second Metalliser Project for its Packaging Films Business at an investment of approx Rs.16 Crore is another important project that was approved today. The metallisation of the packaging films, which are primarily used in packaging of food, cosmetics, personal and health care products, will improve the films' quality mainly in terms of barrier property. When completed, the project will increase SRF's market share in the growing market of the quality Metallised Films in India and abroad. Currently, SRF is the largest exporter of polyester Metallised Film from India.

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About SRF Limited

SRF Ltd, a leading industrial group, manufactures Technical Textiles, Fluorochemicals, Packaging Films and Fluoro Specialities. Commencing operations in 1974, SRF today operates from eight plant locations in India and abroad and has attained market leadership position in Nylon Tyre Cord Fabric (3rd largest manufacturer of Nylon6 tyre cord in the world & approx 36 per cent market share in India), Belting Fabrics (3rd argest in the world & approx 60 per cent market share in India), Refrigerant Gases (approx 40 per cent market share in India) and Chloromethane. Currently, SRF's products cater to industrial customers in more than 60 countries globally. SRF's relentless focus on TQM techniques has resulted in the company winning the prestigious Deming Application Prize in 2004 for the erstwhile Industrial Synthetics Business of SRF (now integrated with Technical Textiles business), the first nylon tyre cord company outside Japan to be awarded this prize.

Note:

Statements in this release relating to future status, events, or circumstances, including but not limited to statements about plans and objectives are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. SRF cannot be held responsible in any way for such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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