



# SRF Limited

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## SRF's Q2 net profit at Rs. 47 Crore, revenue Rs. 417 Crore

**GURGAON, 25 October 2007:** SRF Ltd., a leading Indian player in Technical Textiles, Fluorochemicals and having interests in Packaging Films has recorded a net profit (Profit After Tax) of Rs. 47 Crore over a revenue of Rs. 417 Crore for the second quarter of the current financial year ending on 30 September 2007. The PAT and the revenue of the company for Q2 of 2007-08 have been lower by 47% and 13% respectively against the corresponding figures of Rs. 89 Crore and Rs. 479 Crore recorded during the same period last year. SRF's unaudited financial results for April-September 2007 were taken on record by the company's Board of Directors here this morning.

The company's financial performance during the second quarter of the current financial year is, however, not comparable since last year's second quarter performance included sales of accumulated CERs (Certified Emission Receipts).

Reflecting on the quarterly financial results of the company, **Mr. Ashish Bharat Ram, Managing Director, SRF Limited**, explained, "At the operational level while we have had topline growth, the abysmally low margins in Nylon Tyrecord products of our Technical Textiles Business (TTB) has affected overall profitability. However, the other components of TTB namely Belting Fabrics and Coated Fabrics have shown growth and encouraging margins. The rapid appreciation of the rupee has not helped either. The silver lining though is the fact that our cost structures continue to improve and it is a question of time before we see a reversal in the cycle. In addition, our plant for HFC 134-a refrigerant gas has stabilised at full capacity and we expect that it will contribute to both top line and bottom line going forward. The Fluorospeciality Business is developing well and we continue to make investments towards growing that business. Lastly, the Packaging Films Business continues to improve after it turned the corner and I expect that trend to continue going forward."

To take advantage of the growing polyester tyre record demand in the country, the company had recently announced its investment plan to install a polyester industrial yarn plant at its existing Gummidipoondi plant near Chennai. Furthermore, among other projects the company is also planning to set up a new Chemical Complex at Dahej in Gujarat, which is fast developing as a premiere choice for such projects.

The company's PAT for the first six months of 2007-08 was down 39% at Rs. 103 Crore against 170 Crore during the corresponding period last year. The company earned a revenue of Rs. 833 Crore, down 11.1% against Rs. 938 Crore during the corresponding period last year.

### 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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