



# SRF Limited

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## For Immediate Release

### **SRF Q1 Revenues at Rs. 471 crore, PAT at Rs. 46 crore Board approves Capex worth Rs. 115 crore**

**New Delhi, 25th July 2008:** Riding on better realizations in its businesses, SRF Limited, the domestic market leader in technical textiles, refrigerant gases and a preferred supplier of other fluorochemical products and polyester films, recorded 16% growth in revenues at Rs. 471 crore during the first quarter of 2008-09 as against Rs. 405 crore recorded during the corresponding period last year (CPLY). SRF's profit prior to finance related costs (Interest & Finance Charges and Exchange Currency Fluctuations) improved by 21%, from Rs. 82 crore to Rs. 99 crore during the same period. The financial results of SRF were taken on record by SRF's Board in a meeting held this afternoon.

The company recorded a net profit (Profit After Tax) of Rs. 46 crore for the first quarter of 2008-09. The PAT figure for April-June 2008 declined by 18% over CPLY mainly on account of exchange currency fluctuation (increase of Rs. 29.8 crore over CPLY) and interest charges (increase of Rs. 2.4 crore over CPLY).

Reflecting on the financial performance of the company, Mr. Ashish Bharat Ram, Managing Director, SRF Limited, explained: "While the 'Mark to Market' position in foreign exchange transactions has resulted in a decline in profits, what is heartening to note is that our biggest business Technical Textiles has shown significant improvement in margins. While there is a long way to go before we reach fair margins, the upward trend is encouraging."

#### **PERFORMANCE OVERVIEW**

The sales of TTB products, which accounts for more than 50% of the company's revenue, grew by 20% during the quarter. This resulted in a growth of 226% in Operating Profit of TTB. The earnings from the sales of CERs continued to be consistent during the quarter. The operating profit of polyester films from the company's Packaging Films Business (PFB) recorded a growth of 23% along with 25% growth in sales during the same period. Exports of polyester films grew by 12 % during the period.

#### **NEW CAPEX APPROVED**

The SRF Board today also approved two capital expenditure projects at an aggregate investment of Rs. 115 crore. The approval includes Rs. 92.65 crore Polyester Polymerisation Chip Plant of 61,000 MT per annum capacity under Packaging Film Business at Indore and Fluorospeciality facility with a capacity of 400 tonnes per annum at its plant at Bhiwadi under Chemical Business at an investment of Rs. 22.5 crore.

## **ONGOING PROJECTS**

SRF is presently in the midst of implementing several projects worth around Rs. 600 crore. In the beginning of the current financial year the company successfully commissioned all the nine units of wind energy project to produce 15 MW of 'green power' in Tamil Nadu at a total investment of around Rs. 90 crore.

## **BUYBACK**

As per the announcement of its board, the company has commenced the buy-back of fully paid up equity shares from the open market. The company will buy back shares to a maximum extent of Rs. 70 crore at a price not exceeding Rs. 160 per share from the open market.

## **ACQUISITIONS**

SRF during this quarter signed two separate definitive agreements for overseas acquisitions. First agreement pertains to the acquisition of Thai Baroda Industries Limited (TBIL), a Thailand-based tyre cord company at a total investment of Rs. 100 crore and the second one for the acquisition of the belting fabrics business of Industex Technical Textiles (Pty) Limited, a South African company at a total investment of Rs. 20 crore. While the acquisition of Thai plant will enable SRF to emerge as the third largest tyre cord fabric manufacturer in Asia and fifth largest in the world, the acquisition of South African plant will improve SRF's world ranking from the 3rd largest player to 2nd largest player in the arena of Belting Fabrics Business.

## **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 largest 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.

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