



SRF Limited

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For Immediate Release

SRF Q1 Revenue stable; Operating Profit declines by 25% at Rs. 100 crore

Gurgaon, 25th July 2012: SRF Limited, a multi-business entity engaged in the manufacture of chemical based industrial intermediates, reported an operating profit (EBIT) of Rs. 100 crore during the first quarter of 2012-13, a decline of 25% over the same period last year. The company's net sales marginally declined by 3% to Rs. 810 crore as against Rs. 835 crore recorded during April-June 2011. The financial results of SRF were approved by the SRF Board in a meeting held this afternoon.

Even after absorbing a 'mark-to-market' loss of Rs. 46 crore on account of foreign exchange fluctuations SRF posted a net profit after tax (PAT) of Rs. 22 crore during the first quarter of the current financial year. Besides, the rising input cost and the adverse demand-supply situation made a further adverse impact on the company's net profit after tax, which declined by 73% during the period. The same period last year, SRF had posted a PAT of Rs. 83 crore.

MD's COMMENTS

Reflecting on the financial performance of the company, **Mr. Ashish Bharat Ram, Managing Director, SRF Limited**, explained: "While the results show a substantial drop in profits, a significant portion is due to the notional loss on mark-to-market provision. The benefit of the rupee devaluation will show up in operating results in the next few months."

PERFORMANCE OVERVIEW

Except for the Technical Textiles Business, which recorded a growth of 3% in its segment revenue at Rs. 429 crore, the other two businesses namely the Chemicals & Polymers Business and the Packaging Films Business saw their segment revenue declining by 8% and 9% at Rs. 216 crore and Rs. 170 crore respectively. The operating profit of the Technical Textiles Business dropped by 11% at Rs. 35 crore and the same for the Chemicals & Polymers Business fell by 15% at Rs. 65 crore during April-June 2012 over the same period last year. The prevailing adverse demand-supply situation for the Packaging Films especially due to the continuing Supreme Court ban on use of plastic for packaging of chewing tobacco continued to hamper the operating profit for the Packaging Films, which decreased by 80% at Rs. 4 crore during the period.

PROJECT APPROVED

The SRF Board also approved a capex proposal to set up a Fluorinated Speciality Plant at the company's new Chemical Complex at Dahej in Gujarat at a total investment of Rs. 43 crore. The new fluorospeciality plant, which is scheduled to be commissioned by July 2013 is part of the company's overall strategy to expand existing product basket for its R&D and knowledge-based fluorospecialities business. When commissioned, the products from the new plant will primarily find applications in Pharmaceuticals, Electronics and performance Chemicals industries

PROJECTS COMMISSIONED

The company in July 2012 announced the successful commissioning of first three projects in its new Chemical Complex at Dahej in Gujarat at a total cost of approximately Rs. 250 crore. The three projects are Flexible Multipurpose Plant (FMP), Intermediate Speciality Plant and First Phase of Captive Power Plant with a capacity of 4 MW. The new FMP unit is designed to produce a variety of new and emerging fluorochemicals. The Intermediate Speciality Plant will provide feedstock to the FMP.

About SRF

Established in 1973, SRF as a group has today grown into a global entity with operations in 4 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 Fluorospecialities. 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 Application Prize for its tyre cord business, SRF continues to redefine its work and corporate culture with the TQM as its management way.

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