

For immediate release

## SRF Board approves Rs 345 crore capex for two chemical plants

- Rs 180 crore capex to set up a new Multi-Purpose Plant for specialty chemicals
- Rs. 165 crore capex to set up SRF's second Chloromethane Plant

**Gurgaon, 9 August 2016:** SRF Board, in tune with the company's strategic intent of expanding its chemicals business, approved two separate capex proposals aggregating Rs. 345 crore in the meeting held on Monday, August 8, 2016. One of the proposals pertains to setting up a Multi-Purpose Plant for specialty chemicals at an estimated cost of Rs. 180 crore and the second one for Chloromethane (CMS) plant at an estimated cost of Rs. 165 crore in its Chemical Complex at Dahej in Gujarat.

The new Multi-Purpose plant is expected to further augment SRF's capability to develop and commercialise new molecules for agrochemicals and pharmaceutical sectors. Set up essentially with a view to providing further flexibility in its manufacturing capability, the new unit will enable SRF to cater to wider range of specialty products for emerging needs of the sector. The capex is in tune with the business objective of enhancing its product portfolio in order to continue to serve its customers on an ongoing basis.

The second project that got approved in the Board, aims to double SRF's capacity for Chloromethanes to 80,000 tonnes per annum. The existing Chloromethane plant is situated at Bhiwadi in Rajasthan.

The new Chloromethane plant will enable SRF to meet the growing needs of its Pharma customers for Methylene dichloride (MDC) and will strengthen its foothold in the Indian market, which remains a net importer of Methylene dichloride (MDC). SRF already enjoys an enviable reputation of a credible domestic supplier of MDC with most of the leading Pharma customers in India over the last 20 years. Besides, MDC is a key raw material for HFC 32, the refrigerant that SRF recently started manufacturing at its Bhiwadi plant with its own technology. The new plant will thus make SRF the only Indian integrated producer of HFC 32, a refrigerant to be increasingly used in room air-conditioners in future.

The expansion of Chloromethanes plant is, however, strongly linked to captive consumption of Chloroform, which has limited usage. SRF is, therefore, uniquely positioned to leverage the opportunity as it has the capability for captive consumption of the other two ingredients, Chloroform and Carbon Tetra Chloride (CTC).

Apart from its usage as a solvent in the growing pharmaceutical drugs, MDC is also used for

various applications such as foam blowing segments, aerosols, polycarbonate resins and adhesive formulations. Chloroform is mainly used as raw material to manufacture HCFC 22 and also in Pharma and CTC as feedstock in agrochemical intermediates.

SRF will thus consume a large part of Chloroform for manufacturing HCFC 22, which will be increasingly used as a feedstock for specialty chemicals, a business of SRF that has been growing steadily for last five to six years. Similarly, the captive consumption of CTC at SRF will also increase as feedstock for its specialty chemicals.

The new Chloromethane plant with an annual capacity of 40,000 tonnes is scheduled to be commissioned in December 2017.

The Chloromethanes along with Trichloroethylene (TCE), Perchloroethylene (PCE) and Dilute Hydrofluoric (DHF) acid jointly form SRF's portfolio of solvent products under its Fluorochemicals Business. The other products of the business include a wide range of refrigerants, sold under the brand name of **FLORON** both in India and abroad.

#### About SRF

Established in 1970, SRF, as a group, has today grown into a multi-business global entity with operations in 3 countries. With proven R&D capabilities, especially in the niche domain of Chemicals, SRF strives to stay ahead in business through innovations in operations and product development. The company is not only a domestic leader in refrigerants, but also continues to be the only manufacturer of indigenously developed refrigerant, HFC 134a in India. The company also enjoys global leadership position in Technical Textiles. Besides, the company enjoys a significant presence among the key domestic manufacturers of Packaging Films and Specialty Chemicals as well. 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.

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