

For immediate release

SRF Announces Results for the Quarter ended September 30, 2016

- Q2 Consolidated Profit After Tax (PAT) at ₹ 119 crore; up 17% QoQ
- H1 Consolidated PAT at ₹ 263 crore; up 22% YoY

Gurgaon, November 11, 2016: SRF, a chemical based multi-business entity engaged in the manufacturing of industrial intermediates today announced its unaudited financial results for the quarter ended 30 September 2016. The company has adopted Indian Accounting Standards (IndAS) with effect from 1 April 2016. The figures for the quarter ended 30 September 2015 have also been restated as per IndAS.

Financials

PAT rose 17% from ₹ 102 crore to ₹ 119 crore in Q2FY17, mainly on account of lower finance cost and gain in Exchange Currency Fluctuation. EBIT remained flat at ₹ 181 crore in Q2FY17 over the Corresponding Period Last Year (CPLY).

Impacted by a significant reduction in commodity prices when compared with CPLY, the company's revenue declined marginally by 2% to ₹ 1215 crore in Q2FY17 over CPLY.

"Despite a weak global economy, the company has performed well. The global Agro sector continues to remain weak. The company is using this opportunity to accelerate qualifications of various new molecules for both the Agro and Pharma sectors." **said Ashish Bharat Ram, Managing Director.** "Going forward, increased capex is being undertaken to ensure that we have capacities in place to meet the expected rebound."

Consolidated Segment Results

Segment revenue of the **Chemicals & Polymers Business** remained flat from ₹ 385 crore to ₹ 386 crore in Q2FY17 over CPLY. Operating profit of the Chemicals and Polymers business decreased by 21% in Q2FY17, impacted mainly due to global agrochemicals slowdown.

The **Packaging Films Business** reported a decline of 2% from ₹ 356 crore to ₹ 349 crore in its segment revenue in Q2FY17 over CPLY, but increased its operating profit by 8% from ₹ 49 crore to ₹ 53 crore in Q2FY17.

The commodity price cycle impacted the revenues of the **Technical Textiles Business** that reported a decline of 4% in its segment revenue from ₹ 502 crore to ₹ 481 crore in Q2FY17 over CPLY. The operating profit of the Technical Textiles Business, however, increased by

32% from ₹46 crore to ₹61 crore in Q2FY17, on account of better volumes and operational cost savings.

Capex

The Board approved capex aggregating ₹ 128 crore in the Chemicals business for augmenting new facilities and the production of new products in existing Flexible Multi-Purpose Plants (FMPs) and the setting up of cGMP (Current Good Manufacturing Practices) plant to tap upcoming business opportunities in the Pharma sector that require cGMP compliance at its Dahej, Gujarat facility.

H1 Financials

In the first six months of 2016-17, the company's PAT grew by 22% from ₹ 216 crore to ₹ 263 crore over CPLY. SRF's revenue at ₹ 2515 crore decreased by 1% during the same period. The company's EBIT increased by 7% from ₹ 392 crore to ₹ 420 crore during the same period over CPLY.

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 TQM as its management way.

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