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Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Scrip Code- 503806

Scrip Code-SRF

SRF/SEC-D/16

9th August, 2016

Presentation- Earnings Call (Unaudited Financial Results for the quarter ended 30.06.2016)

In continuation of our letter dated 5th August, 2016 informing about hosting of earning call to discuss unaudited financial results for quarter ended 30th June, 2016, please find enclosed Investors presentation, of the same for your reference and record.

The same is also available on the Company's website i.e. www.srf.com

Thanking you,

Yours faithfully,

For SRF LIMITED

ANOOP K. JOSHI
(PRESIDENT, CFO & COMPANY SECRETARY)

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SRF Limited

Q1 FY17 Results Presentation

August 08, 2016

Diversity

Innovation

Performance



Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. SRF Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.



Q1 FY17 Results Overview

Q1 FY17 Segmental Performance

Company Overview

Outlook



Q1 FY17 Results Overview



- **Exceptional results across all three business segments on robust demand, operational efficiency and market penetration**
- **Board approved two separate capex proposals aggregating to Rs. 345 crore at Dahej, Gujarat**
 - Setting up of another Multipurpose Plant at SRF's chemical complex - **Rs. 180 crore**
 - Setting up a second Chloromethanes Plant with a capacity of 40,000 MTPA - **Rs. 165 crore**
- **Board also approved a capex proposal 'Electrochemical Research Facility' at an estimated cost of Rs 6.8 crs at Bhiwadi**
- **Interim dividend at the rate of 60% amounting to Rs. 6 per share**

Abridged Statement of Profit & Loss

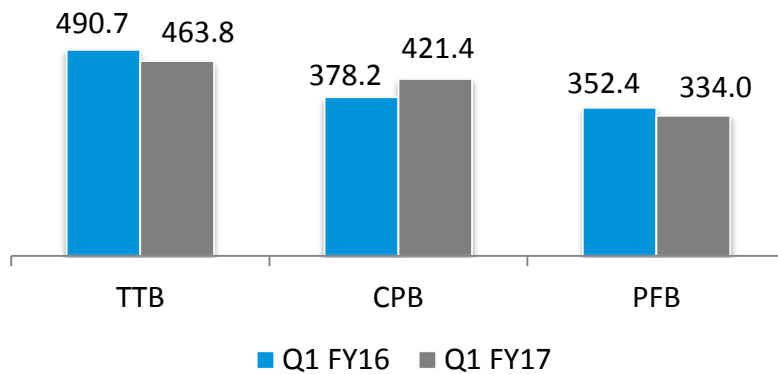
Consolidated figures

(Rs. crore)	Q1 FY17	Q1 FY16	% Y-o-Y	FY16	FY15	% Y-o-Y
Net Operating Revenue	1,219.2	1,221.4	-0.2%	4,600.1	4,539.9	1.3%
EBIDTA	289.6	271.7	6.6%	998.8	791.5	26.2%
EBIDTA Margin (%)	23.8%	22.2%		21.7%	17.4%	
Depreciation	73.4	72.5	1.3%	289.0	245.0	18.0%
Interest & ECF	21.9	33.6	-34.9%	138.9	147.0	-5.5%
Profit Before Tax	194.3	165.7	17.3%	570.8	399.4	42.9%
Profit After Tax	144.2	113.4	27.1%	422.9	302.8	39.7%
Profit After Tax Margin (%)	11.8%	9.3%		9.2%	6.7%	
Diluted EPS (Rs.)	25.1	19.8		73.7	52.7	

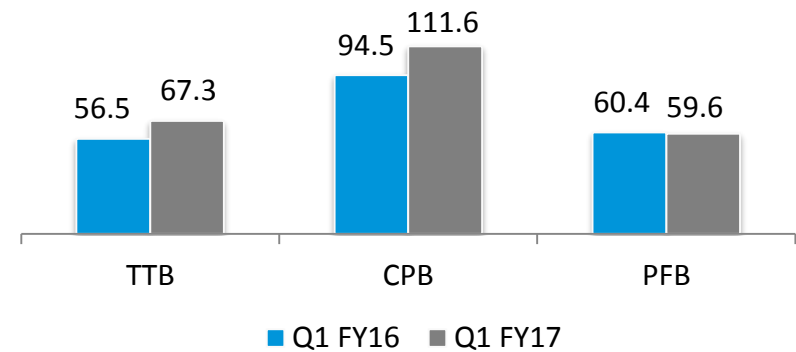
NOTE –

- The Company has for the first time adopted Ind AS accounting requirements during Q1 FY17 as mandated by the Companies Act 2013 and accordingly the numbers for Q1 FY16 have been restated in line with the new norms. Numbers reported during the previous quarter may not therefore be strictly comparable.
- FY16 and FY15 are IGAAP numbers

Revenues (Rs. crore)

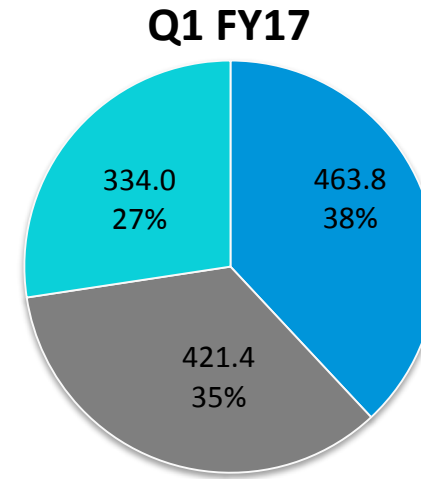
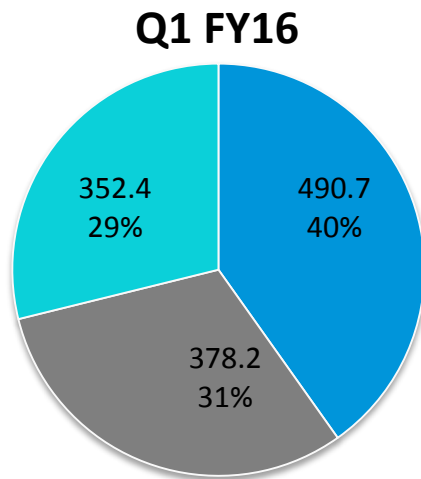


EBIT (Rs. crore)



Consolidated figures

TTB – Technical Textiles Business; **CPB** – Chemicals & Polymers Business; **PFB** - Packaging Films Business;



Consolidated figures
(Rs. crore)

TTB – Technical Textiles Business; **CPB** – Chemicals & Polymers Business; **PFB** - Packaging Films Business;



Technical Textiles

Chemicals & Polymers

Packaging Films



Q1 FY17 Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q1 FY17	463.8	38.0%	67.3	14.5%	28.2%
Q1 FY16	490.7	40.2%	56.5	11.5%	26.8%
% Shift	-5.5%		18.9%		

Consolidated figures

- **Nylon Tyre Cord Fabric (NTCF)**
 - Reported steady performance on the back of healthy demand
 - Two wheeler segment witnessing good traction; higher demand before the onset of the monsoon season
 - Witnessed negative trend in tractor segment – demand expected to improve owing to above average monsoon anticipated this year
 - Overall, performance stable despite competition from lower priced Chinese truck and bus radials
 - All facilities are operating at optimal capacity
 - First full normalized quarter of operations from Manali facility which came to a halt due to Chennai flood in December 2015
- **Coated and Laminated Fabrics**
 - Increased market share in Laminated Fabrics in a tough competitive environment
 - Focus on quality and increased market penetration led to better performance in both segments
 - Coated Fabrics segment aims to emerge as a solution provider for customers than just a product provider
- **Belting Fabrics**
 - General slowdown in mining and core sectors continues to impact business performance



Technical Textiles

Chemicals & Polymers

Packaging Films



Q1 FY17 Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q1 FY17	421.4	34.6%	111.6	26.5%	46.8%
Q1 FY16	378.2	31.0%	94.5	25.0%	44.7%
% Shift	11.4%		18.1%		

Consolidated figures

- **Fluorochemicals Business**

- Good performance reported during the quarter on the back of growing volumes and exports
- Enabling the Company to expand market share and emerged as the **largest manufacturer of refrigerants** in India
 - **HFC 134a** Dahej facility now **globally competitive** with improved capacity utilisation
 - Prolonged summer season aided higher refrigerant gas volumes
- Recently commissioned **R-32** plant, established with **own technology**, is under stabilisation
 - R-32 is a new refrigerant gas for room air-conditioners to be increasingly used in future.
 - **First Company** outside US & Europe to announce a plan to set-up a pilot plant to manufacture next generation refrigerant gas, **HFO 1234yf** with its own technology
- Unique capability to expand and explore with **in-house technology** and compete with technology leaders at the global stage – HFC 134a, R-32, HFO 1234yf high-quality instances
- Strategic intent to make SRF a **‘one stop shop’** for its customers

- **Specialty Chemicals business**
 - Segment delivered healthy results despite subdued Agro demand globally
 - **Pipeline of molecules** remains robust in both Pharma and Agro segments
 - Conferred with Syngenta Global Supplier Award, 2016 for health, safety and environment (HSE), a recognition for a 'Reliable' key supplier
- **The Company's strategic intent to grow the Chemicals business remains intact**
 - Almost 70% of the planned investment of around **Rs. 3,500 crore** over the next four years is expected in the chemicals segment



Technical Textiles

Chemicals & Polymers

Packaging Films



Q1 FY17 Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q1 FY17	334.0	27.4%	59.6	17.8%	25.0%
Q1 FY16	352.4	28.9%	60.4	17.1%	28.6%
% Shift	-5.2%		-1%		

Consolidated figures

- **Packaging Films Business**

- Business reported steady performance in the quarter
 - Intensified efforts to enhance cost & operational efficiencies
 - All facilities including two overseas plants operated at almost full capacity in spite of challenging market conditions
 - Thailand performance in line with expectations
 - Weak domestic demand in South Africa – expected to pick up going forward due to festive demand
 - Focus on increasing direct sales to FMCG players and gaining new corporate customers
 - Both the projects, one for the BOPET plant and the second one for BOPP plant, coming up in the Domestic Tariff Area at Indore, are progressing as per schedule



Company Overview

Technical Textiles

- Tyre cord fabrics (nylon & polyester)
- Belting fabrics
- Coated fabrics
- Laminated fabrics
- Industrial yarns

Chemicals & Polymers

Fluorochemicals

- Refrigerants
- Chlorinated solvents

Specialty Chemicals

- Organic intermediates

Engineering Plastics

- Polymer compounds

Packaging Films

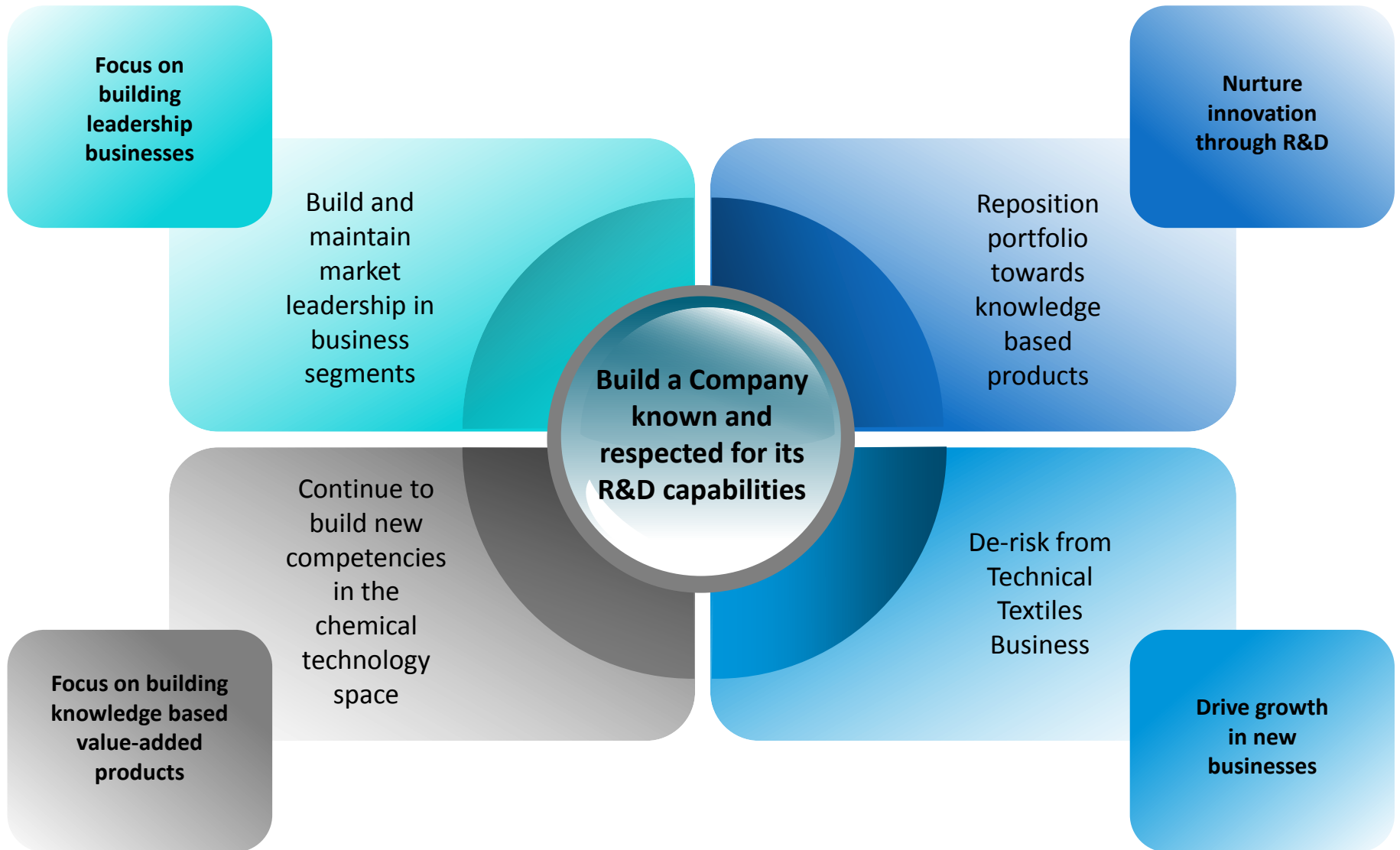
Films for Flexible Packaging

- Bi-axially Oriented Polyethylene Terephthalate (BOPET)
- Bi-axially Oriented Polypropylene (BOPP)

Revenue	1,740
Operating Profit	173
Number of Plant Locations	7

Revenue	1,555
Operating Profit	389
Number of Plant Locations	4

Revenue	1,306
Operating Profit	193
Number of Plant Locations	4



- **The Chemicals Technology Group (CTG) is actively engaged in the development of new process technologies**
 - Key focus on the niche area of fluorinated molecules
- **Strong internal competencies and capabilities**
 - Equipped with state-of-the-art R&D facilities and an ingenious team of scientists and engineers
- **2 R&D centres in India**
- **Filed 2 process patents during Q1FY2017 taking the tally to 83 patents filed till date, out of which 4 have been granted**

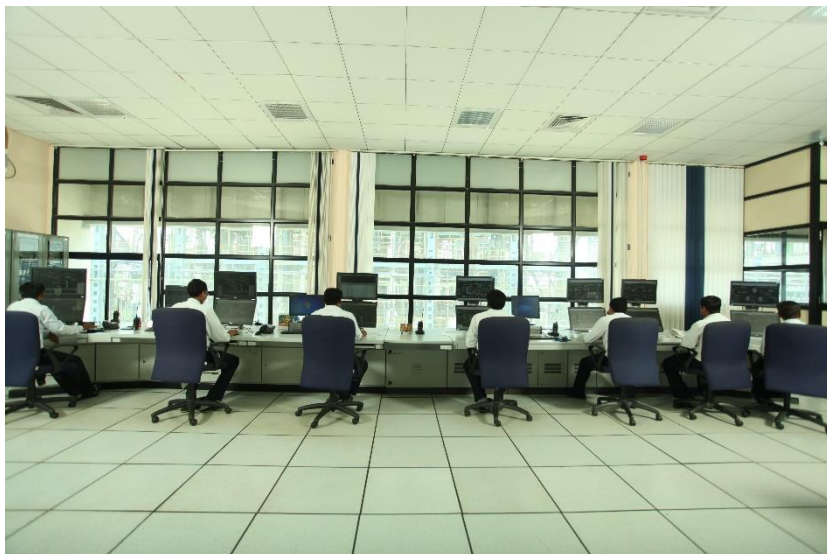




Outlook

- **NTCF is expected to remain a key business in the segment and a generator of steady cash flow**
- **Demand for NTCF to mirror Indian GDP growth as it is closely linked to the transportation sector**
- **Improving macroeconomic environment to have a positive impact on coated and belting fabric segments going forward**





- Focus on expanding new markets / geographies for refrigerants and solvents
- Focus on expanding range of specialty products and moving towards higher value-added products in the agrochemical and pharmaceutical sectors
- Ongoing investments in R&D leading to a healthy pipeline of new products

- **Driven by the robust FMCG growth and fast urbanisation, domestic market in India is expected to grow by 10% -12%**
- **Focus on efficient cost structures, enhanced capabilities and value-added products in the portfolio**



Established in 1970, SRF as a group has today grown into a global entity with operations in 3 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 Specialty Chemicals. 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 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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Thank you
