

SRF Chairman's Address at 45th AGM

8th August 2016

Dear shareholders,

It's my pleasure to welcome you all to this 45th Annual General Meeting of your company.

Let me begin with a quick overview of our domestic economy. As you may be aware, India's GDP is expected to continue to grow at more than 7 per cent for the foreseeable future. The prospect of a good monsoon, consistently subdued oil prices, favorable inflation rates and general reforms across various areas augur well for the Indian economy. What is most reassuring however, is the government's commitment to drive the 'Make in India' initiative which along with other regulatory and policy reforms, will definitely boost the manufacturing sector in India in times to come. The positive movements on the GST front will further improve the business sentiment. The Global economy however remains a cause for worry. Except for the US which is showing some signs of growth, the rest of the developed world is struggling to generate any meaningful growth and even China which has been at the forefront of leading global growth, is showing signs of a slowdown. In that context, India is fortunate to be doing well and I am confident that we will be a force to reckon with in the not so distant future.

As you are aware, 2015-16 was an excellent year for your company. A growth of 40% in consolidated PAT in a weak global economic scenario only reaffirms our belief in our strategy and execution capabilities.

What is unique about SRF is its ability to withstand business specific downturns and develop individual strategies for each segment. This time, the turnaround of our global operations especially the plants under the packaging films business contributed significantly to the overall performance. Our plants for packaging films ran at full capacity utilisation despite over supply in the market. In our Chemical Business, the transition of the *Dymel* Business for the pharma grade HFC 134a that we acquired from Dupont in 2015 went ahead smoothly. Using our distribution strength in the domestic market, we launched new products as well. As a countermeasure to the slowdown in the agrochemical segment, we diligently worked and succeeded in enhancing our presence in the pharma segment for our specialty chemicals business. This has helped us not only develop new opportunities of growth but also helped us maintain the momentum in this Business. The nylon tyre cord fabrics (NTCF) business continued to retain market leadership in the domestic market even as the demand remained subdued. The performance of the Technical textiles Business was adversely affected as the Manali plant remained inoperative for almost three months due to floods in Chennai during December 2015.

I am particularly delighted to inform you that your company's balance sheet looks healthy and financial ratios indicate a steady business performance. This gives us the confidence that we can keep working towards meeting our strategic goals.

As you are aware, your company also announced its plan to set up a pilot plant to manufacture the next generation refrigerant, HFO 1234yf with its own technology, a

move that will make SRF the first technology developer outside US and Europe to do so. Your company has also introduced several new processes and technologies which are new to the world, thereby becoming a critical supplier of intermediates for the innovators in the field of pharma and agro chemicals. Lastly, our R&D efforts have helped your company file more than 80 process patents so far. The list goes on.

It's indeed a matter of pride that SRF is today recognised as a world class chemical company driven by innovation and technology.

Let me assure you that we will continue to pursue business excellence keeping in mind social and environmental goals that contribute towards sustainable livelihoods of people in our community. We will also continue to build, protect and strengthen a value system in your company that you will remain proud of and which will deliver results that meet your expectations.

And before I conclude, I would like to place on record my sincere gratitude to all shareholders for reposing faith in the company's leadership and its strategies and policies that has taken the company to new heights.

I would also like to thank all my colleagues on the Board, government officials, our customers, vendors, project partners, bankers and all other business associates for their continued support and encouragement. And last but not the least, my thanks are due to all the employees in SRF who worked tirelessly to generate high value for all our stakeholders.

Thank you.