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**Mumbai 400 001**

National Stock Exchange of India Limited  
"Exchange Plaza"  
Bandra-Kurla Complex  
Bandra (E)  
**Mumbai 400 051**

Scrip Code- 503806

Scrip Code-SRF

**SRF/SEC-D/16**

**11<sup>th</sup> November, 2016**

**Presentation- Earnings Call (Unaudited Financial Results for the quarter/half year ended 30.09.2016)**

In continuation of our letter dated 9<sup>th</sup> November, 2016 informing about hosting of earning call to discuss unaudited financial results for quarter and half year ended 30<sup>th</sup> September, 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](http://www.srf.com)

Thanking you,  
Yours faithfully,

**For SRF LIMITED**

**SANJIV KUMAR SHARMA  
(COMPLIANCE OFFICER)**

**SRF LIMITED**

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# SRF Limited

Q2 & H1 FY17 Results Presentation

November 11, 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.*



**Q2 & H1 FY17 Results Overview**

**Q2 & H1 FY17 Segmental Performance**

**Company Overview**

**Outlook**



## **Q2 & H1 FY17 Results Overview**

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- The Company performed well despite global agrochemical slowdown
- Board approved capex aggregating Rs. 128 crore in the Chemicals Business at its Dahej, Gujarat facility:
  - Augmenting new facilities and production of new products in existing Flexible Multi-Purpose Plants
  - Setting up of cGMP (Current Good Manufacturing Practices) plant to tap upcoming business opportunities in the Pharma sector that require cGMP compliance

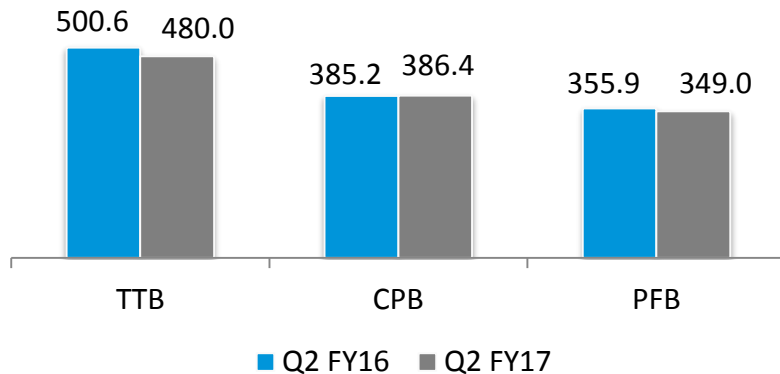
## Abridged Statement of Profit & Loss

Consolidated figures

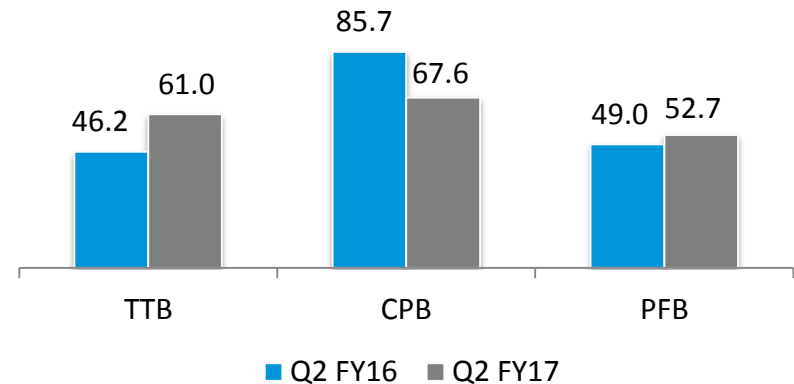
<i>(Rs. crore)</i>	Q2 FY17	Q2 FY16	% Y-o-Y	H1 FY17	H1 FY16	% Y-o-Y
<b>Gross Operating Revenue</b>	<b>1,215.3</b>	<b>1,241.7</b>	<b>-2.1%</b>	<b>2,514.7</b>	<b>2,549.7</b>	<b>-1.4%</b>
<b>EBIDTA</b>	<b>239.6</b>	<b>255.2</b>	<b>-6.1%</b>	<b>529.2</b>	<b>526.9</b>	<b>0.4%</b>
<i>EBIDTA Margin (%)</i>	<i>19.7%</i>	<i>20.6%</i>		<i>21.0%</i>	<i>20.7%</i>	
Depreciation	73.5	73.4	0.2%	146.9	145.8	0.7%
Interest & ECF	17.0	43.6	-60.9%	38.9	77.3	-49.6%
<b>Profit Before Tax</b>	<b>149.0</b>	<b>138.2</b>	<b>7.8%</b>	<b>343.4</b>	<b>303.9</b>	<b>13.0%</b>
<b>Profit After Tax</b>	<b>119.2</b>	<b>102.1</b>	<b>16.8%</b>	<b>263.4</b>	<b>215.5</b>	<b>22.2%</b>
<i>Profit After Tax Margin (%)</i>	<i>9.8%</i>	<i>8.2%</i>		<i>10.5%</i>	<i>8.5%</i>	
Diluted EPS (Rs.)	20.8	17.8	16.8%	45.9	37.5	22.2%

**NOTE** – 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.

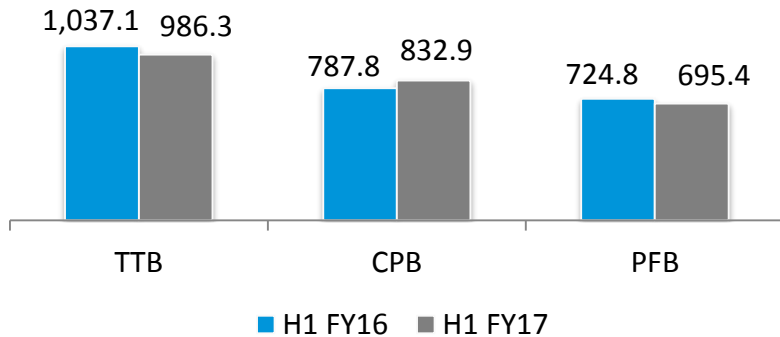
### Revenues (Rs. crore)



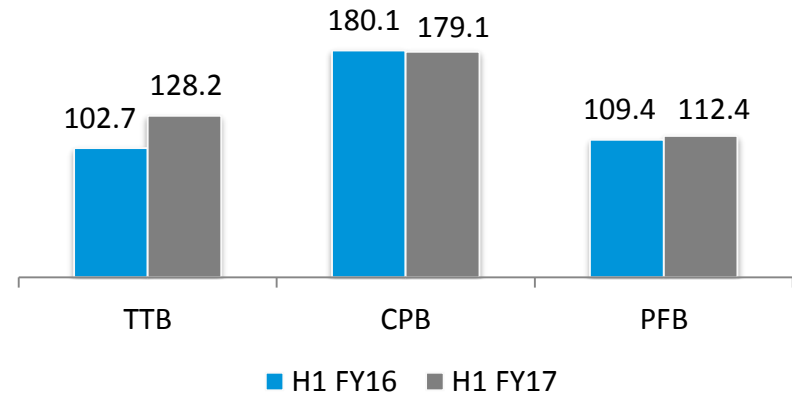
### EBIT (Rs. crore)



### Revenues (Rs. crore)



### EBIT (Rs. crore)

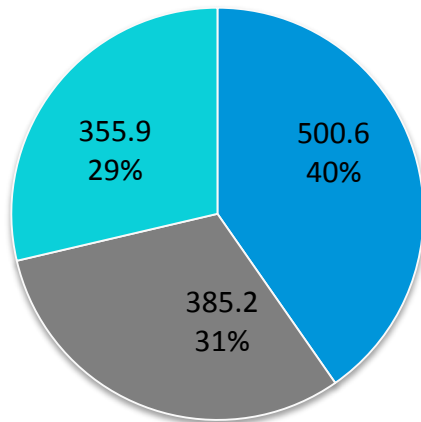


Consolidated figures

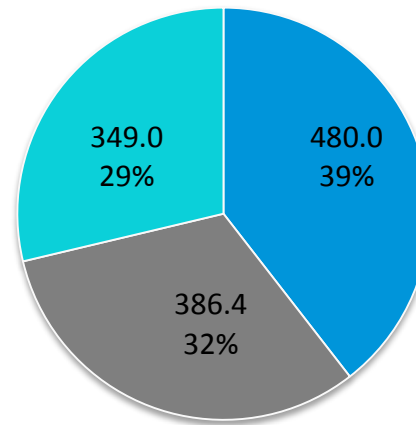
**TTB** – Technical Textiles Business; **CPB** – Chemicals & Polymers Business; **PFB** - Packaging Films Business;



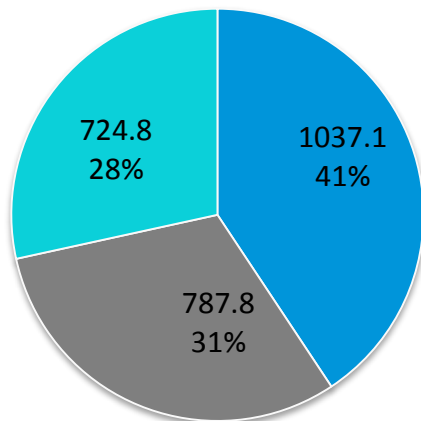
### Q2 FY16



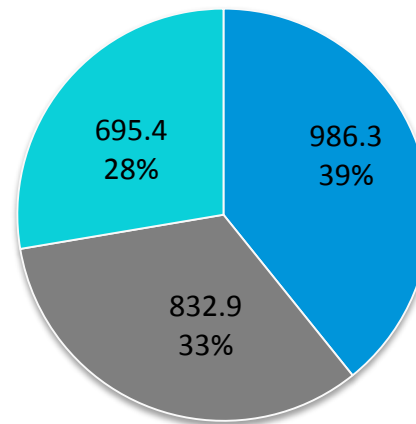
### Q2 FY17



### H1 FY16



### H1 FY17



Consolidated figures  
(Rs. crore)

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



Technical Textiles

Chemicals & Polymers

Packaging Films



## Q2 & H1 FY17 Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
<b>Q2 FY17</b>	<b>480.0</b>	<b>39.5%</b>	<b>61.0</b>	<b>12.7%</b>	<b>33.6%</b>
Q2 FY16	500.6	40.3%	46.2	9.2%	25.5%
% Shift	-4.1%		32.1%		
<b>H1 FY17</b>	<b>986.3</b>	<b>39.2%</b>	<b>128.8</b>	<b>13.0%</b>	<b>30.6%</b>
H1 FY16	1037.1	40.7%	102.7	9.9%	26.2%
% Shift	-4.9%		24.9%		

*Consolidated figures*

- **Nylon Tyre Cord Fabric (NTCF)**
  - Reported healthy performance on account of improved volumes
    - Enhanced capacity utilization to 83% in Q2FY17 from 77% in Q2FY16
    - Two wheeler, four wheelers and LCV segment witnessing healthy growth trends
    - Overall, good performance despite stiff competition from lower priced Chinese truck and bus radials
- **Laminated Fabrics**
  - Continue to increase market share and maintain price leadership despite challenging market environment
  - Expanding product portfolio and focus on increasing market penetration expected to drive growth going forward
- **Coated Fabrics**
  - Reported notable improvement in sales performance – maintained market leadership position
- **Belting Fabrics**
  - Business performance impacted due to subdued market in a competitive environment



Technical Textiles

Chemicals & Polymers

Packaging Films



## Q2 & H1 FY17 Segmental Overview

<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
<b>Q2 FY17</b>	<b>386.4</b>	<b>31.8%</b>	<b>67.6</b>	<b>17.5%</b>	<b>37.3%</b>
Q2 FY16	385.2	31.0%	85.7	22.2%	47.4%
% Shift	0.3%		-21.1%		
<b>H1 FY17</b>	<b>832.9</b>	<b>33.1%</b>	<b>179.1</b>	<b>21.5%</b>	<b>42.7%</b>
H1 FY16	787.8	30.9%	180.1	22.9%	45.9%
% Shift	5.7%		-0.6%		

*Consolidated figures*

- **Specialty Chemicals Business**

- Agro-Chemical segment continued to witness weak demand leading to a subdued performance
- Globally, crop protection chemicals industry continues to be affected due to higher inventories – so customers continue to defer orders due to lower demand
- Commissioned a new facility at Dahej complex during the quarter to cater to the Pharma segment
- Focus on enhancing the pipeline of molecules in both Pharma and Agro segments

- **Fluorochemicals Business**

- Steady performance reported during the quarter on account of volume (both R134 A & blends)
- The Company continues to expand market share and is now the **largest manufacturer of refrigerants** in India
- Increasing product offering - new and adjacent products to make SRF a **'one stop shop'** for customers



Technical Textiles

Chemicals & Polymers

Packaging Films



## Q2 & H1 FY17 Segmental Overview



<i>(Rs. crore)</i>	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
<b>Q2 FY17</b>	<b>349.0</b>	<b>28.7%</b>	<b>52.7</b>	<b>15.1%</b>	<b>29.1%</b>
Q2 FY16	355.9	28.7%	49.0	13.8%	27.1%
% Shift	-1.9%		7.6%		
<b>H1 FY17</b>	<b>695.4</b>	<b>27.7%</b>	<b>112.4</b>	<b>16.2%</b>	<b>26.8%</b>
H1 FY16	724.8	28.4%	109.4	15.1%	27.9%
% Shift	-4.1%		2.7%		

*Consolidated figures*

- **Packaging Films Business**

- Segment reported healthy performance during the quarter under review
  - SRF's continuous efforts to enhance cost and operational efficiencies makes it one of the lowest cost producers in India and Thailand
  - All facilities operated at almost full capacity in spite of challenging market conditions
    - Witnessed pressure on margins in domestic and global markets
  - Optimising product mix and raw material cost to achieve better margins
  - Upcoming BOPET and BOPP facilities at the Domestic Tariff Area in Indore are progressing as per schedule



## Company Overview

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## 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

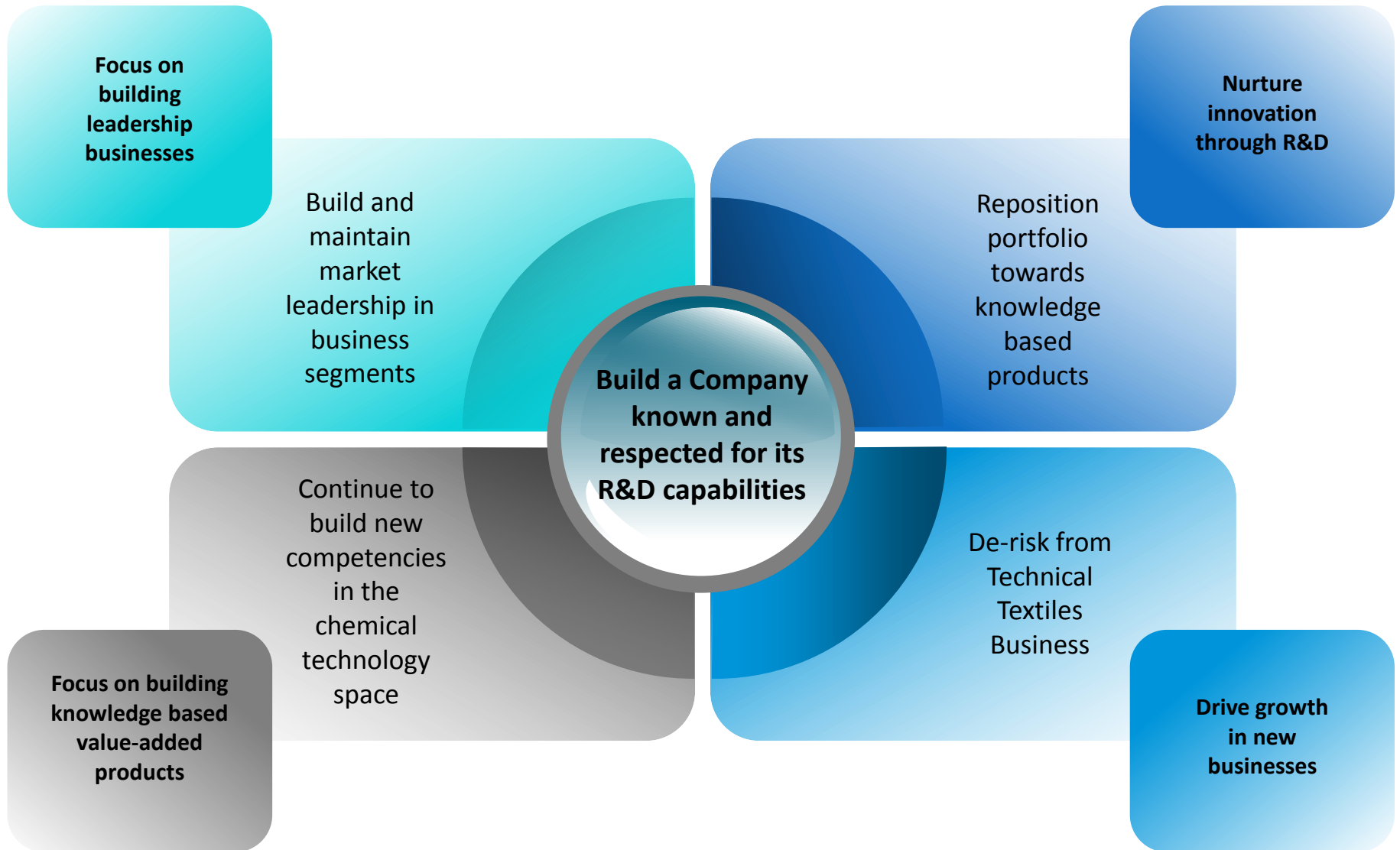
### Films for Flexible Packaging

- 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 11 process patents during Q2FY17 taking the tally to 94 patents filed to date, out of which 5 have been granted**





## Outlook

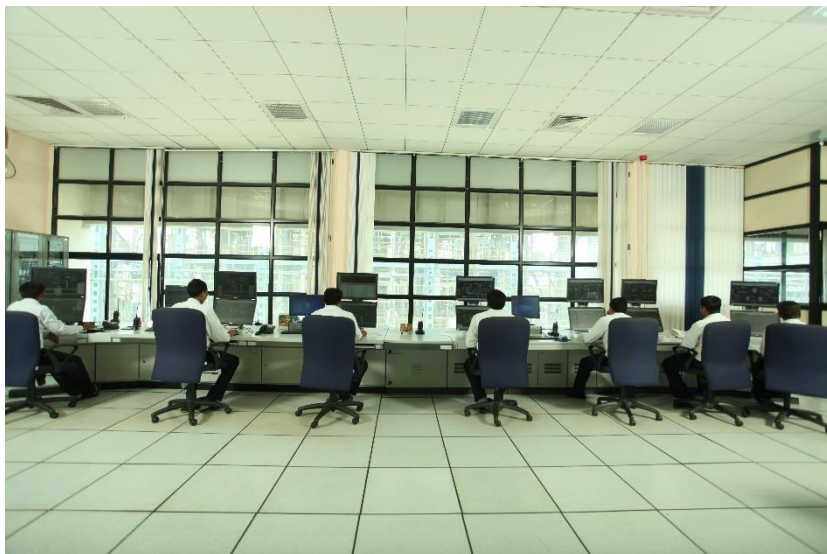
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- **NTCF is expected to remain a key business in the segment and a generator of steady cash flow**
- **Demand for NTCF to mirror Indian GDP growth as it is closely linked to the transportation sector**
- **Improving macroeconomic environment to have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







- Focus on expanding new markets / geographies for refrigerants and solvents
- Focus on accelerating qualifications of various new molecules in both Agro and Pharmaceutical sectors
- Increased capex is being undertaken to ensure we have capacities in place to meet the expected rebound.

- Focus on increasing pace of R&D efforts, efficient cost structures, enhanced capabilities and value-added products in the portfolio
- New DTA line at Indore is on schedule for both BOPET & BOPP



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.

**For further information please contact**

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Thank you

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