



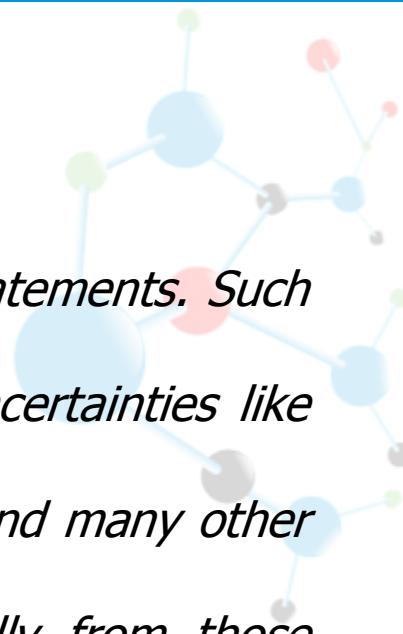
SRF Limited

Investor Presentation
November 2014

Diversity. Innovation. Performance



Disclaimer



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.

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Business Segments

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Overview

Overview

History & Heritage



Our legacy since 1889

Known as one of India's respected business houses

Winner of Deming Prize



Group known for philanthropic work

2004: Tyre Cord Business

2012: Chemicals Business

Run and manage some of the premiere academic institutions of India

SRF is

- A multi-business manufacturing entity
- An Indian multinational
- Engaged in the manufacture of chemical based industrial intermediates



9 plants in India

4 plants abroad



Overview

Business Leadership

SRF has been one of the early players in India to enter:

EARLY ENTRANTS IN INDIA

Nylon tyre cord fabrics

Belting fabrics

Coated fabrics

Specialty chemicals

Refrigerants

Engineering plastics

ONLY COMPANY IN INDIA

- First and the only company in India so far to have developed technology to manufacture **R-134a**, an ozone friendly refrigerant
- The only manufacturer of **Polyester tyre cord fabrics** in India



Overview

Market Rankings

Global No. 2

Domestic Market Leader

Domestic No. 2

Belting fabrics

Nylon 6 tyre cord fabrics

Tyre cord

Belting
fabrics

Fishnet
twine

Refrigerants

Engineering
plastics

Specialty
chemicals

Packaging films



\$670 mn

Revenues

\$51 mn

EBIT

3

No of Business Segments

5,500

Global Workforce

3

No of Countries with
Manufacturing Plants

75

No of Countries Exporting
to



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)

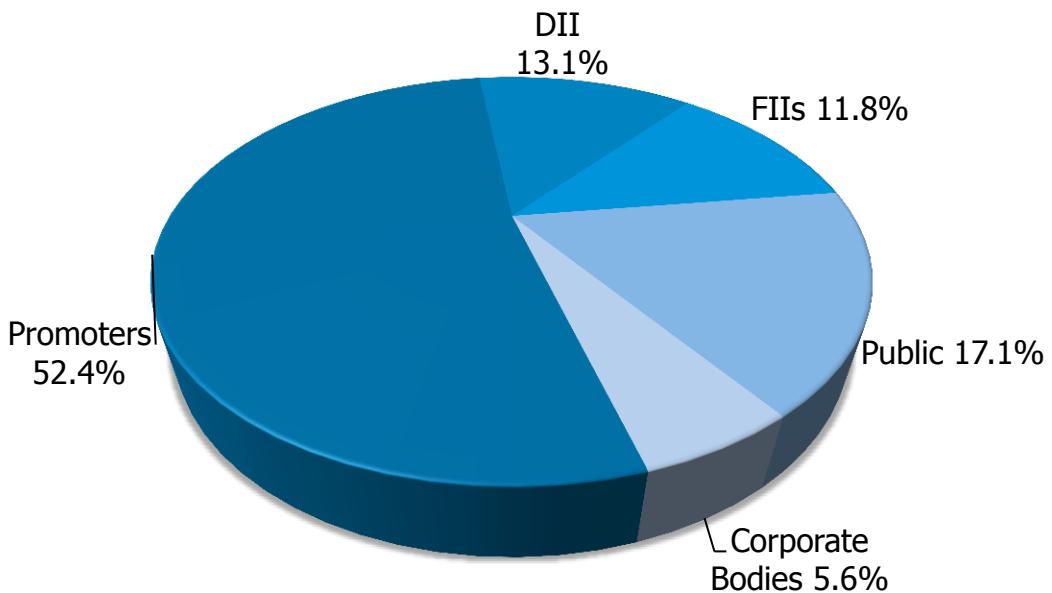
Revenue	363.3
Operating Profit	27.2
Number of Plant Locations	7

Revenue	159.3
Operating Profit	31.8
Number of Plant Locations	4

Revenue	147
Operating Profit	-0.8
Number of Plant Locations	4



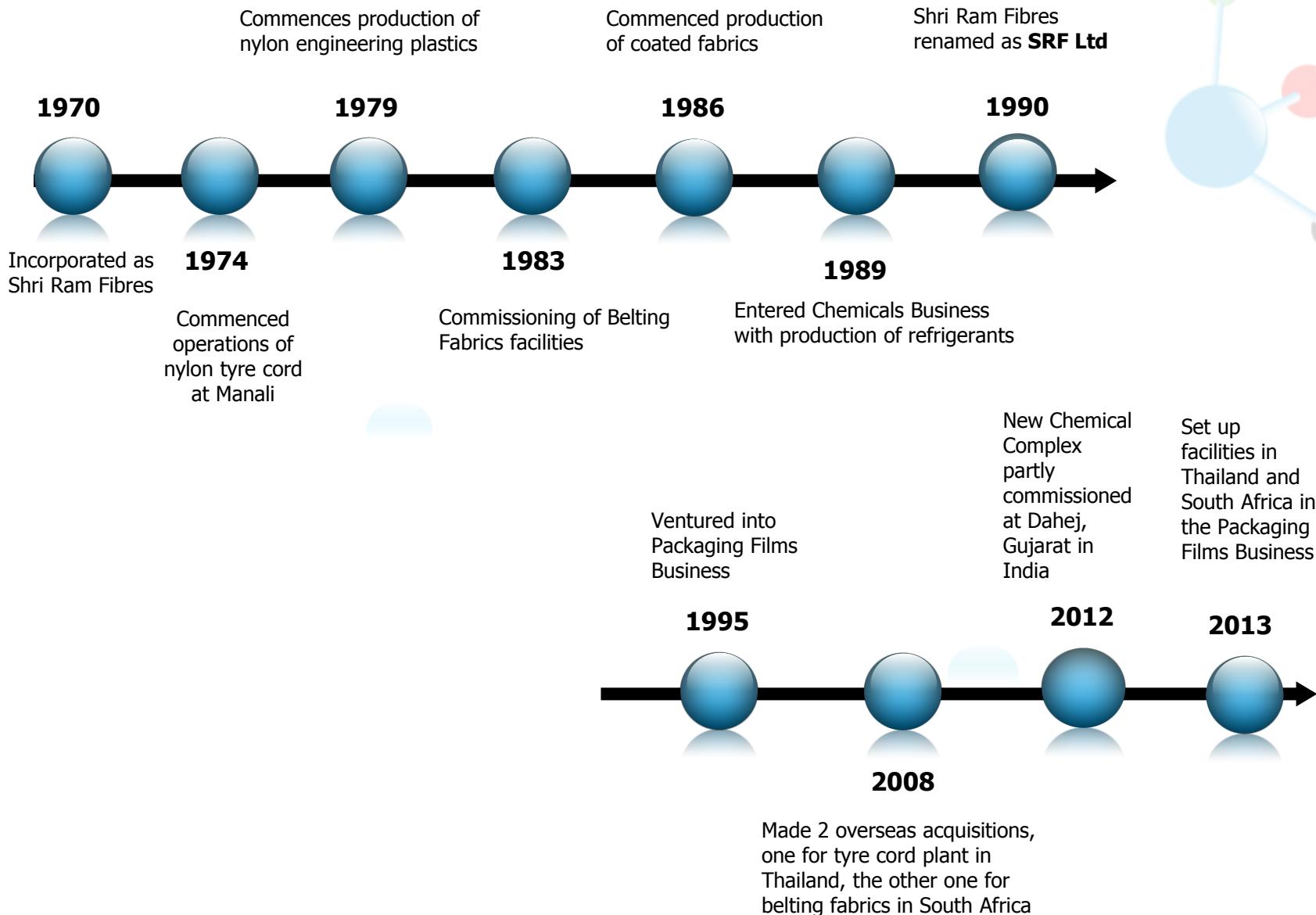
Shareholding Pattern (05th Sep'14)



Prominent Shareholders	% of total capital
UTI Mutual Fund	5.56
DSP Mutual Fund	3.96
Sundaram Mutual Fund	3.90
Amansa Capital	3.32
Government Pension Fund Global	1.88
GOLDMAN SACHS	1.08

Overview

Path of Progress



Overview

Business Evolution

Technical Textiles

Chemicals & Polymers

Packaging Films

Relative Composition (in %) of Businesses

FY11 Revenue*
\$579 mn



FY14 Revenue
\$669.6 mn



Successful Transformation:
Multiple business entity with focus on knowledge based industries

***FY11** : Chemicals & Polymers revenues include \$22.8 mn from CER's
All the above figures are on consolidated basis

Overview

Growth Levers

Focus on building leadership businesses

Build and maintain market leadership in business segments

Continue to build new competencies in the chemical technology space

Focus on building knowledge based value-added products

Build a Company known and respected for its R&D capabilities

Nurture innovation through R&D

Reposition portfolio towards knowledge based products

De-risk from Technical Textiles Business

Drive growth in new businesses



Overview

Leadership Team



Mr. Arun Bharat Ram
Chairman



Mr. Ashish Bharat Ram
Managing Director



Mr. Kartik Bharat Ram
Dy Managing Director



Mr. Rajdeep Anand
President (CTG)



Mr. Sushil Kapoor
President & CEO (TTB)



Mr. Rajendra Prasad
President & CFO



Mr. Prashant Yadav
President & CEO (FCB & EP)



Mr. Prashant Mehra
President & CEO (PFB)



Mr. Anurag Jain
President & CEO (SCB)



Mr. Sanjay Chatrath
President & CEO (TCF)



Mr. Suresh Kannan
President & CEO (BF, CF & LF)



Mr. Ajay Chowdhury
President & CHRO





Technical Textiles

Chemicals & Polymers

Packaging Films

Business Segments

Nylon Tyre Cord Fabrics



Despite increase in radialisation of bus & truck tyre segment, the demand for NTCF is expected to remain stable on account of growth in Tractor, 2 wheeler and OTR tyre segments



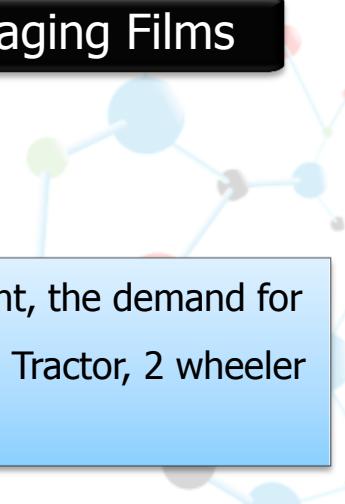
Continues to be the domestic market leader and ranked world Number 2 in Nylon 6



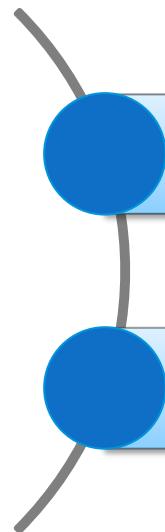
Free cash flow generating business, no major investments anticipated



Four facilities located in India and one in Thailand with a total capacity of nearly 50 KTPA Nylon 6 yarn and around 60 KTPA conversion

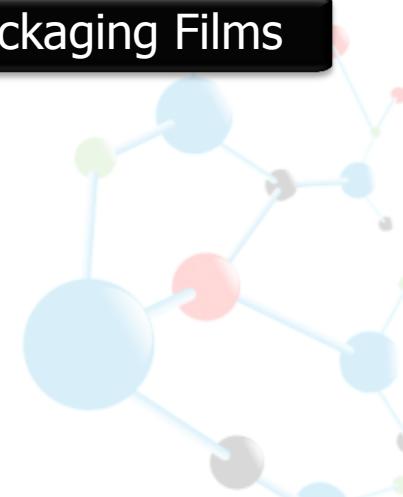


Polyester Tyre Cord Fabrics

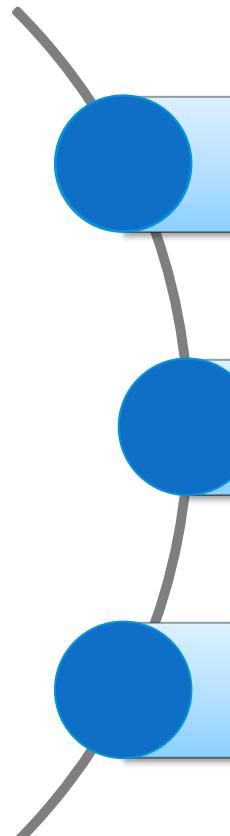


Global surplus in PTCF leading to lower realisations; yarn developed for alternate applications

The only manufacturer of polyester tyre cord fabrics in India



Belting Fabrics



Largest manufacturer of belting fabrics in India and second largest in the world; domestic market share ~60%

Segment reporting healthy performance; anticipated improvement in infrastructure sector to provide further boost

Facilities located in India and South Africa



Coated Fabrics



State-of-the-art coating line offers PVC coated fabric with Acrylic / PVDF finishes and polyurethane coated fabrics

Integrated manufacturing facility from polyester yarn to fabricated articles

Economic slowdown has impacted performance – operating at low utilisation levels



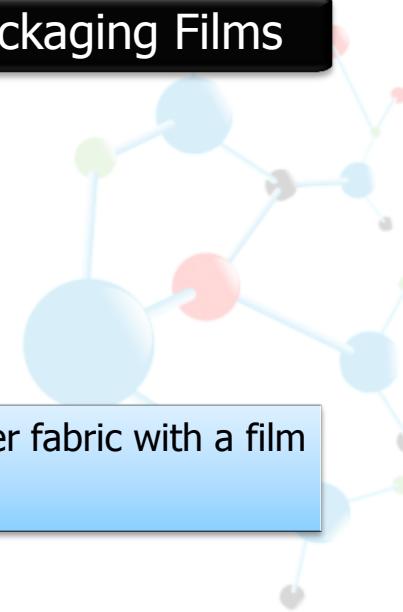
Laminated Fabrics



Laminated fabric is a combination of a polyester fabric with a film (PVC or another) on either or both sides

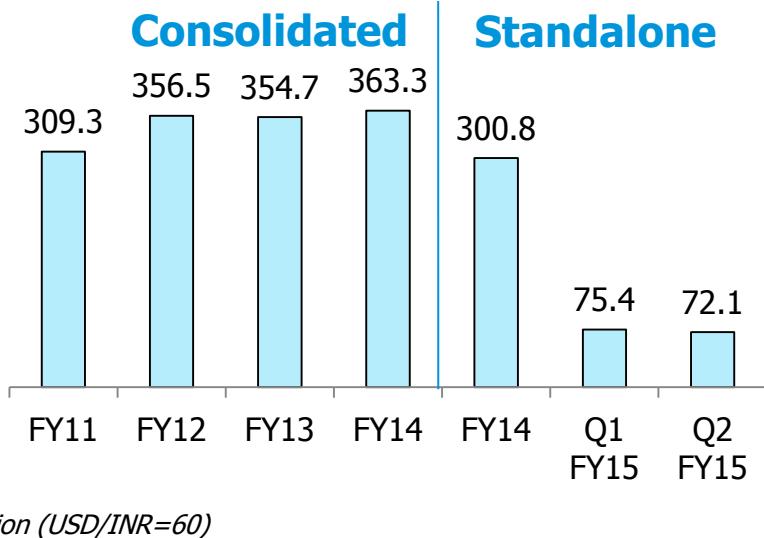
Lower advertising spends on account of slowdown has led to subdued demand

New modern facility in Uttarakhand, India

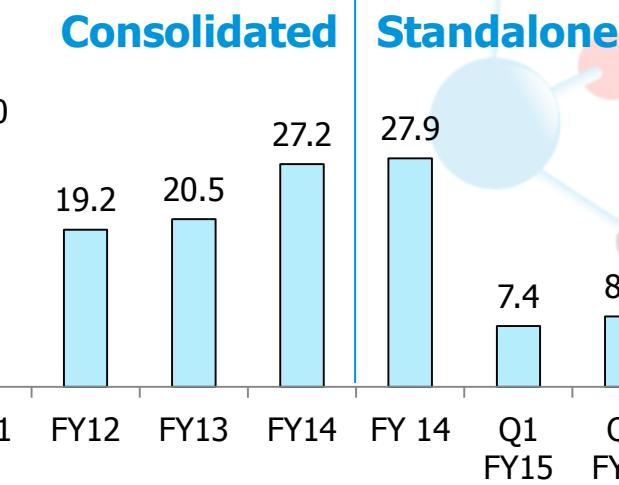


Key Highlights

Revenue

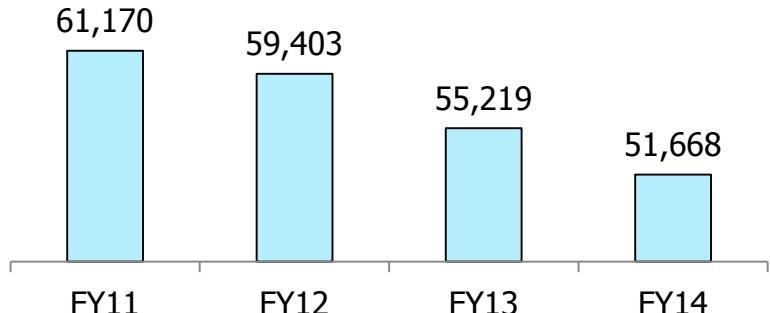


Operating Profits



\$ million (USD/INR=60)

Tyre Cord Sales Trend (in MTs)



- **Free cash flow generating business with stable contribution to overall revenues and profitability**
- **No further investments anticipated**



Technical Textiles

Chemicals & Polymers

Packaging Films

Business Segments

Fluorochemicals Business

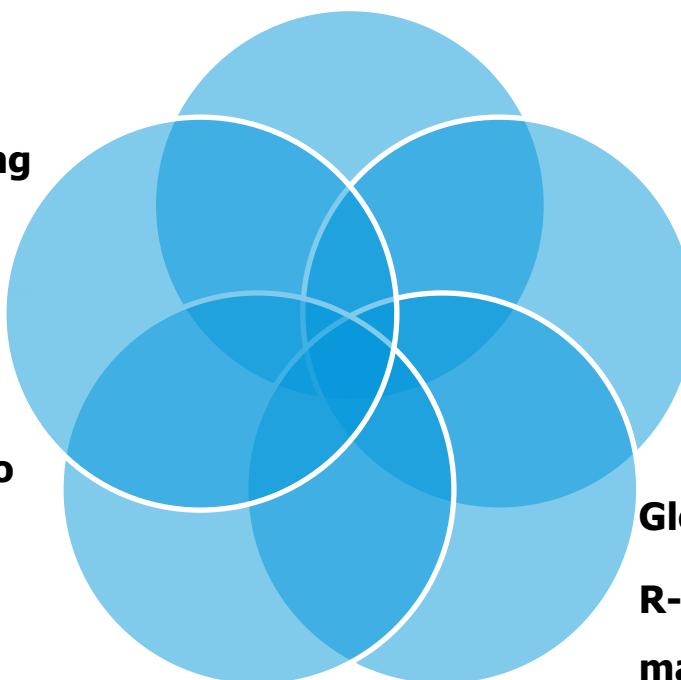


Refrigerant portfolio consists of R-22, R-134a and HFC blends: R-410A, R-404A and R-407C



Over 40% share of the Indian market besides being well accepted worldwide

Global distribution network, well positioned to service the international market, witnessing favorable industry dynamics



Only manufacturer of R-134a in India

Global size capacity for R-134a with two manufacturing facilities in India

Specialty Chemicals Business

Strong knowledge of Fluorination and other halogen chemistry along with **concerted focus on R&D** led to development of complex Organo-fluorine compounds

Aimed at meeting demands of **Pharma and Agrochemical** industry

IPR and knowledge oriented business; unmatched in India and unique advantage over low cost manufacturers in China

More than **25 years of experience** handling fluorine molecules; one of the most hazardous chemicals

Team of over **200 employees** covering R&D, pilot projects and engineering design

Success in commercialisation of over 20 molecules; over **50 molecules** at various stages of development

Customer requirements drive process development through in-house R&D and engineering design; IPR of the process with SRF for in-house developed processes

Multi product

:

Multi customer

:

Multi application

Cross selling amongst existing and new customers

Driving Innovation through R&D



- **Developing internal competencies and capabilities to create breakthrough process innovations**
- **Equipped with state-of-the-art R&D facilities and an ingenious team of scientists and technologists**
- **2 R&D centres in India**
- **Focus on developing new processes and technologies**
- **39 patents filed till date**

Chemical Complex at Dahej

- Presently developing 126 acres out of 293 acres in Phase I
- Facilities to produce multiple products with focus on fluoroochemicals and specialty chemicals
- Announced investments aggregating more than \$ 275 mn till date
 - Total capitalisation of around \$ 225 mn
 - Announced capex includes investments in 2 plants for Specialty Chemicals approved in the current FY
 - \$ 23 mn
 - \$ 19 mn
- Major investments in supporting infrastructure committed
- Most future investments in this site expected to lead to better site profitability



Operational Units

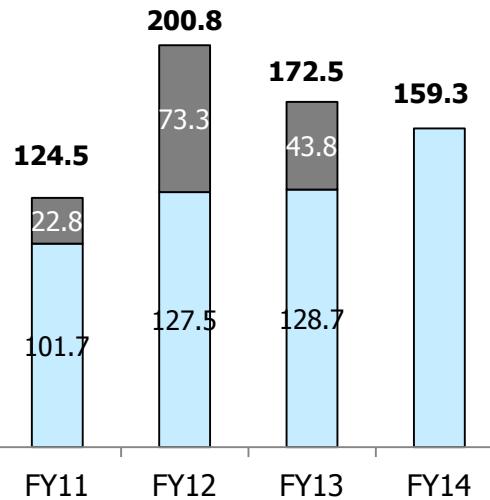
- Five Specialty Chemicals plants
- New Global Scale HFC 134a plant
- One Chlorinated Solvent Plant
- 15 MW Captive Power plant



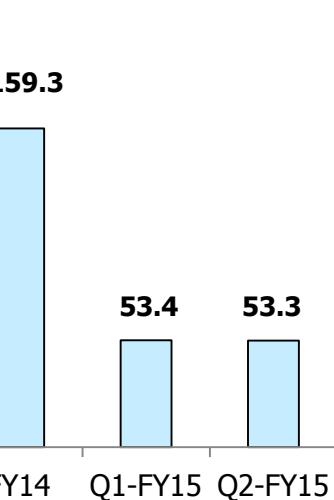
Key Highlights

Revenues

Consolidated

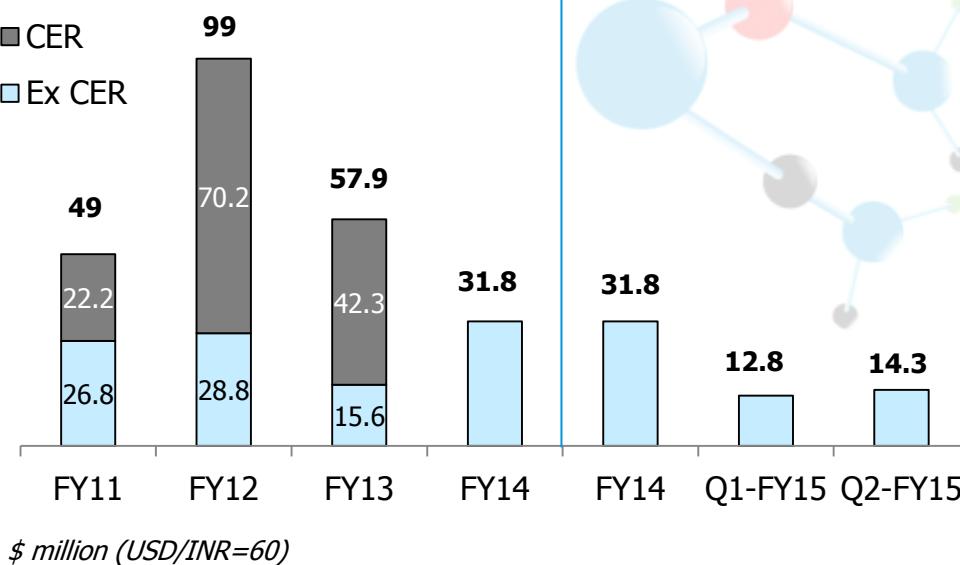


Standalone



Operating Profit

Consolidated



Standalone

- **Outlook for Specialty Chemicals Business remains robust**
- **Enhanced R-134a capacities should improve volumes**
- **Investments in Dahej to aid improvement in revenues and profitability in FY15**
- **Currently, 100% capacity utilisation of Engineering Plastic Plants**



Technical Textiles

Chemicals & Polymers

Packaging Films

Business Segments

Key Highlights



Industry estimated to grow at apprx 5% p.a. globally and apprx 12% p.a. domestically



Global demand-supply mismatch; product is a pure commodity and goes through industry cycles;
No new capacity addition announced



Second-largest manufacturer of thin BOPET films in India



Strong focus on value-added products



Expanded globally with facilities in Thailand and South Africa at a total investment of US \$ 125 million



Overseas Operations

BOPP Plant at South Africa

- Set up a greenfield BOPP film plant and a vacuum metallisation plant in KwaZulu Natal, South Africa in 2013
- World class facility with 25,500 TPA capacity
- Demand-supply gap in South Africa with local demand exceeding the supply
- Operations stable and performance is expected to improve as local consumers shift from imports to buying film from SRF

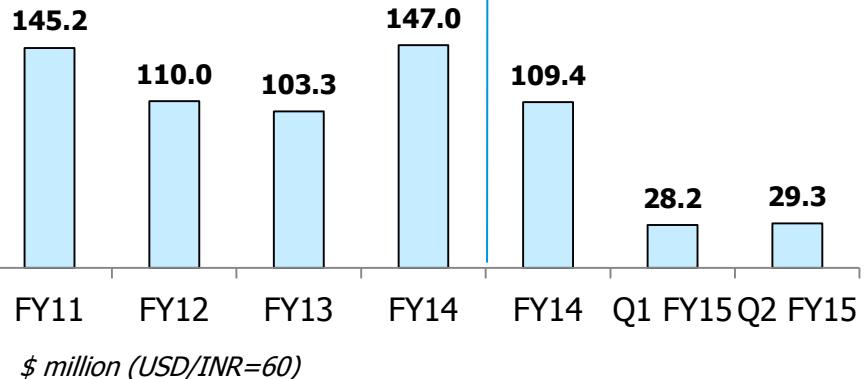
BOPET Plant at Thailand

- Set up a greenfield BOPET film plant and a vacuum metallisation plant in Rayong, Thailand in 2013
- World class facility with 28,500 TPA capacity
- Products accepted in quality conscious markets like Japan and South Korea, with consistent demand from these regions
- Unit is reporting steady performance

Key Highlights

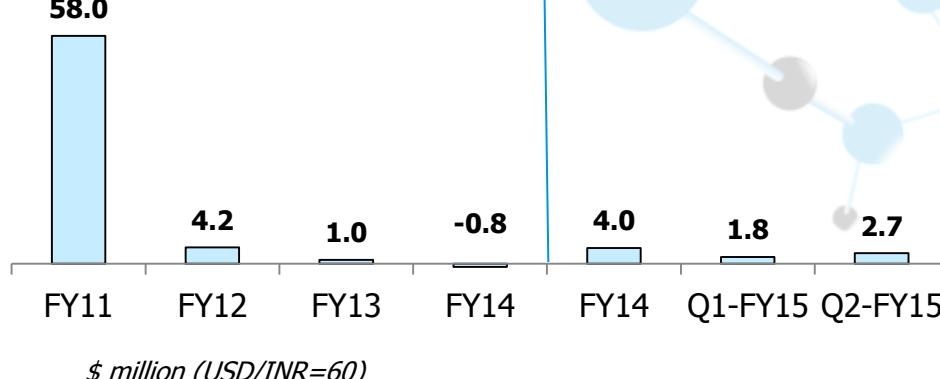
Revenue

	Consolidated	Standalone
FY11	145.2	
FY12	110.0	
FY13	103.3	
FY14	147.0	109.4
Q1 FY15		28.2
Q2 FY15		29.3

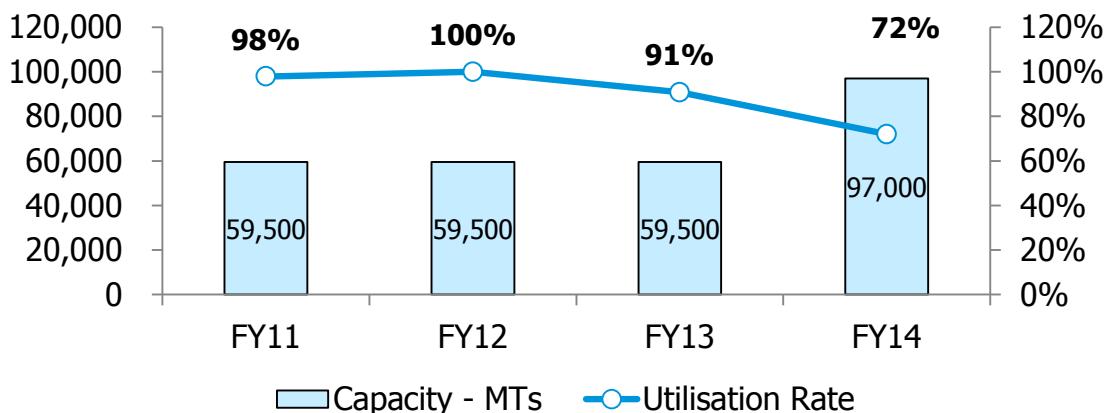


Operating Profits

	Consolidated	Standalone
FY11	58.0	
FY12	4.2	
FY13	1.0	
FY14	-0.8	
Q1-FY15	4.0	1.8
Q2-FY15		2.7



Packaging Films Capacity and Utilisation Trend



- BOPP and BOPET films being commodities, go through the industry cycles**
- Global facilities in Thailand and South Africa to contribute positively in FY2015**

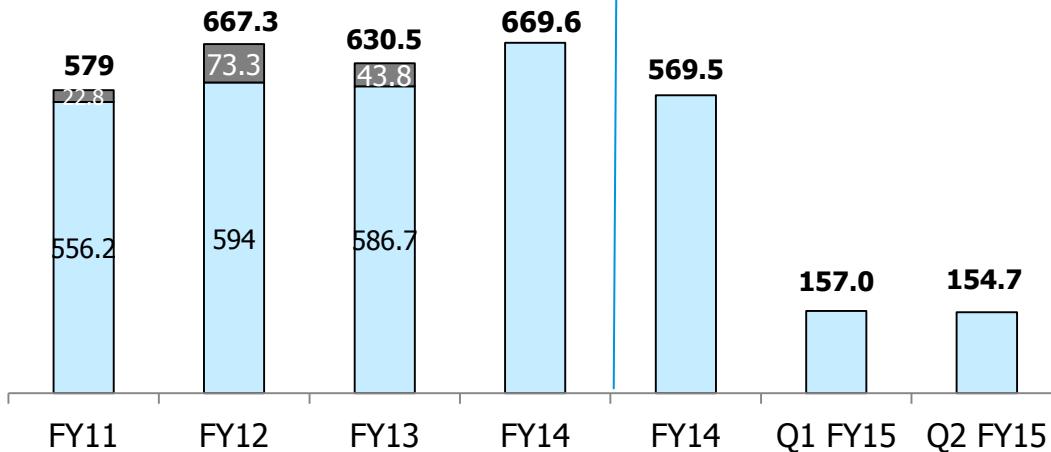


Consolidated Snapshots

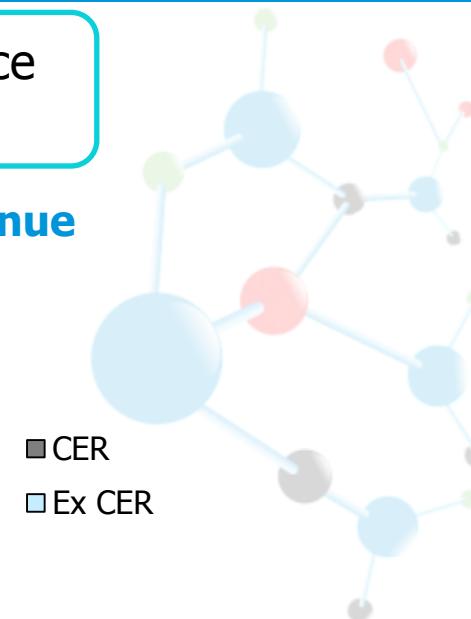
Consolidated Snapshots

Financial Performance Trends

Consolidated Revenue

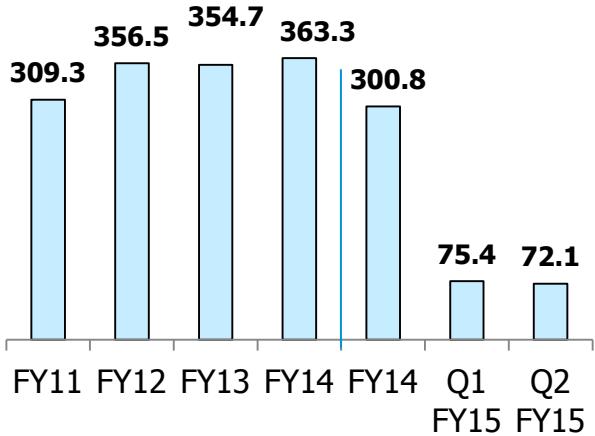


Standalone Revenue

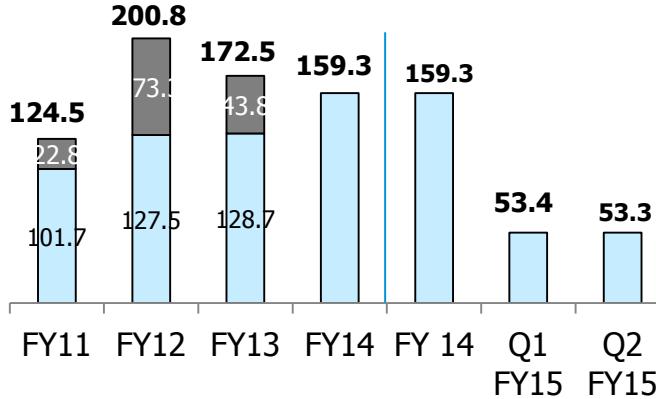


Business Segments

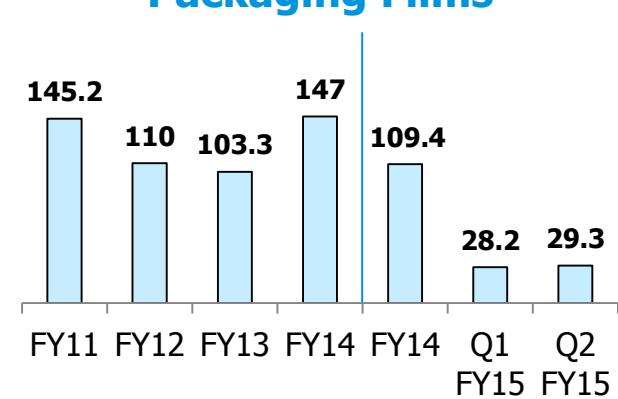
Technical Textiles



CPB



Packaging Films

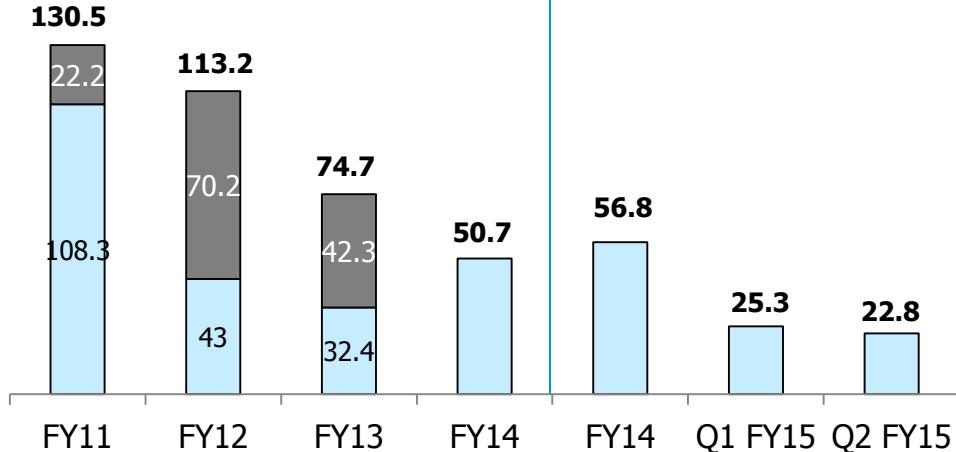


Figures in \$ million
(USD/INR=60)

Consolidated Snapshots

Financial Performance Trends

Consolidated EBIT



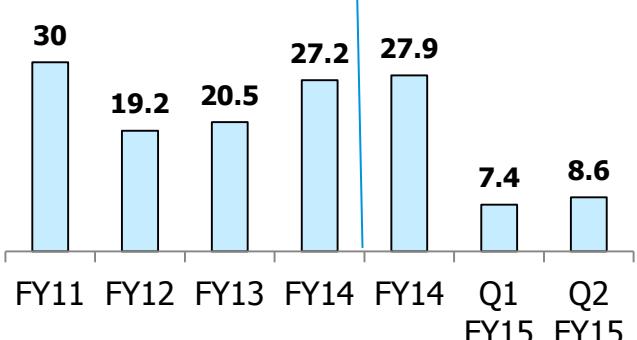
Standalone EBIT

■ CER
□ Ex CER

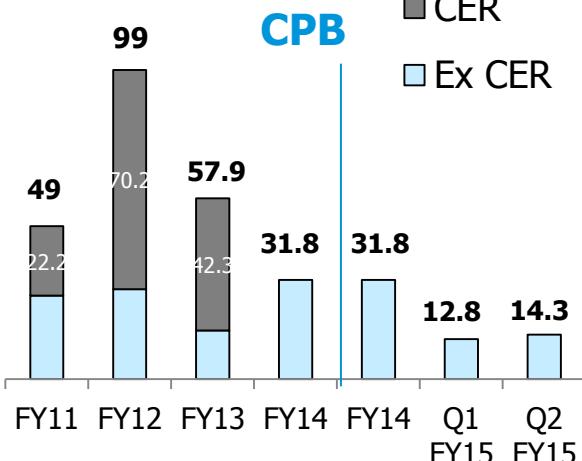


Business Segments

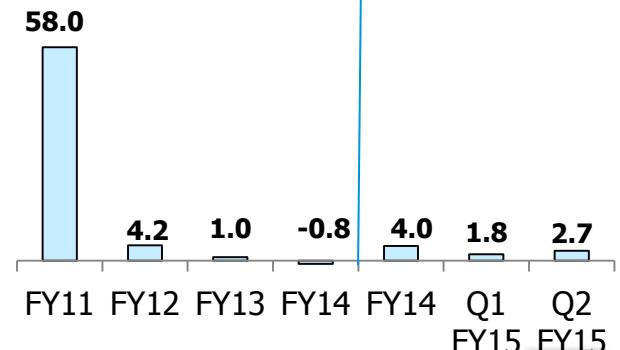
Technical Textiles



CPB



Packaging Films

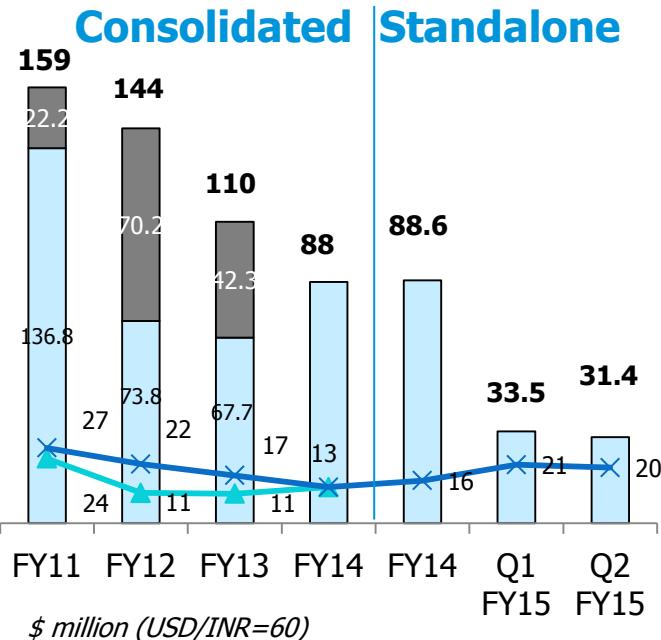


Figures in \$ million
(USD/INR=60)

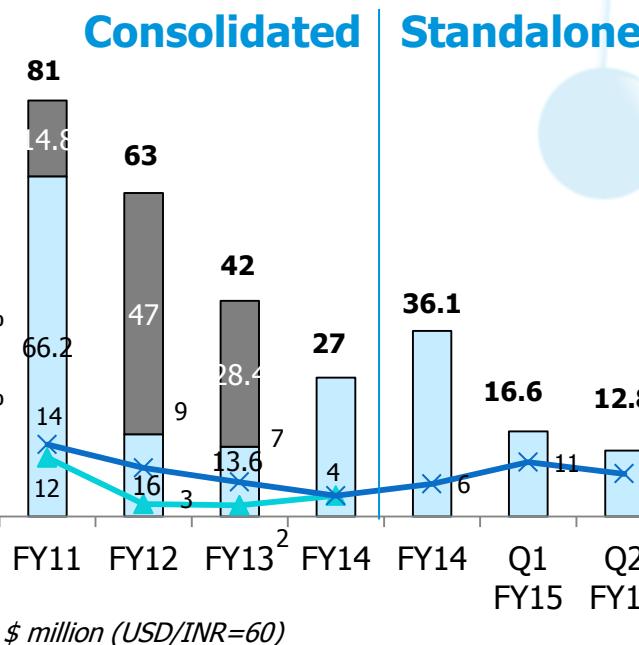
Consolidated Snapshots

Financial Performance Trends

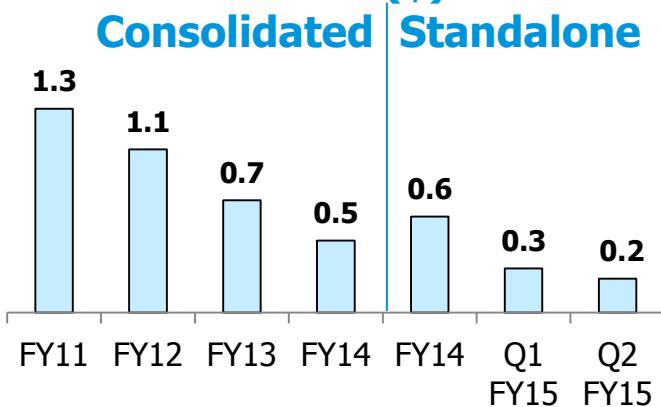
PBIDT



PAT



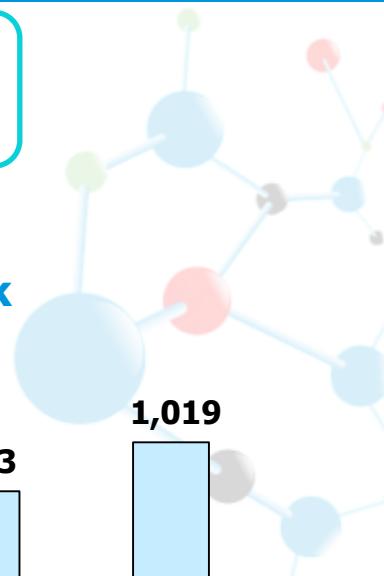
EPS (\$)



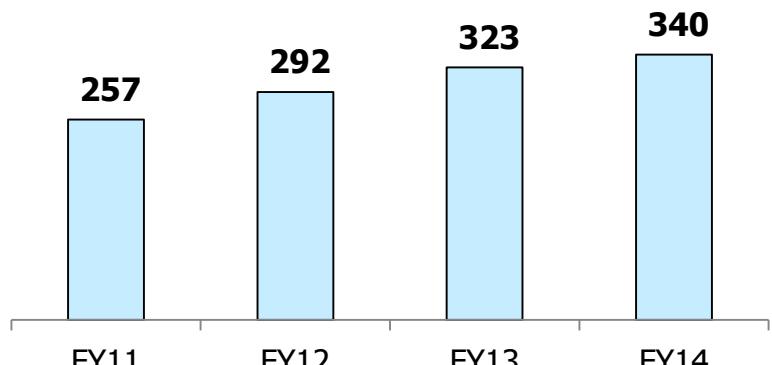
- Expect to see improved performance going ahead on account of
- Successful business transformation
- Enhanced volumes/ productivity across key segments

Consolidated Snapshots

Financial Performance Trends

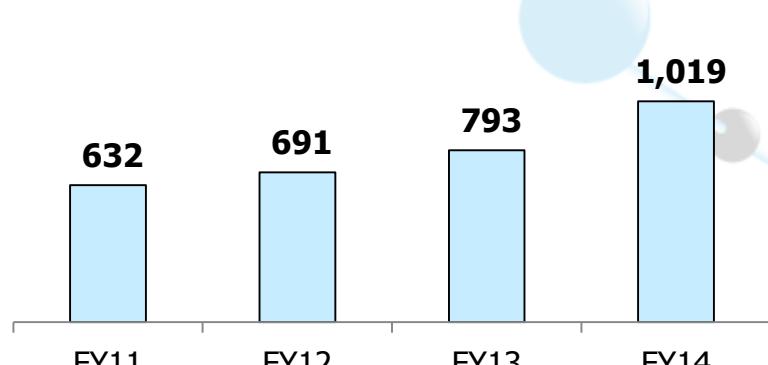


Net Worth



\$ million (USD/INR=60)

Gross Block

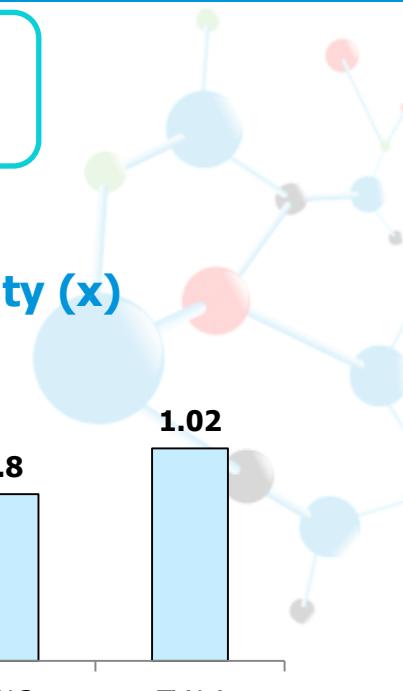


\$ million (USD/INR=60)

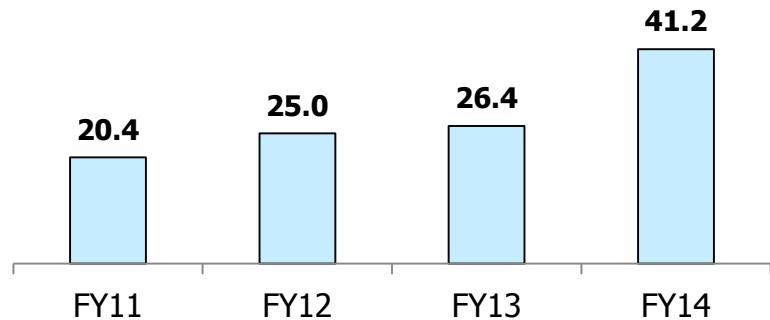
- **Dahej facility to produce multiple products with focus on specialty chemicals and fluorochemicals**
- **Return ratios are anticipated to improve as capex incurred leads to growth and profitability**

Consolidated Snapshots

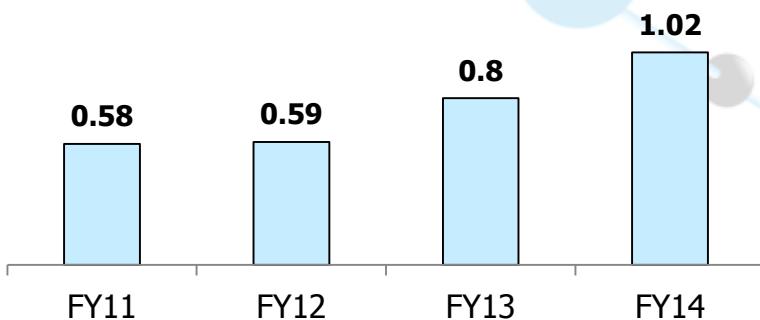
Financial Performance Trends



Dividend Payout* (%)

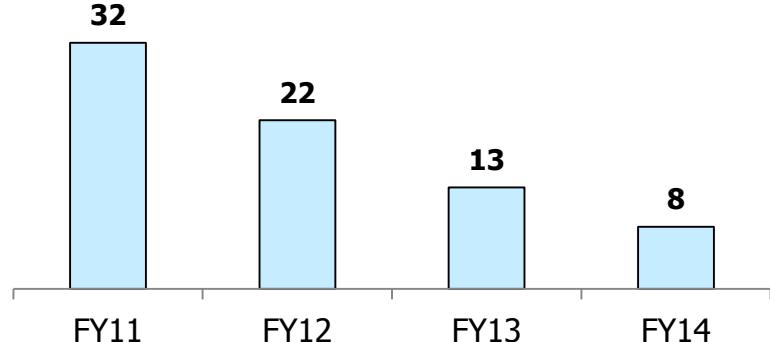


Net Debt: Equity (x)

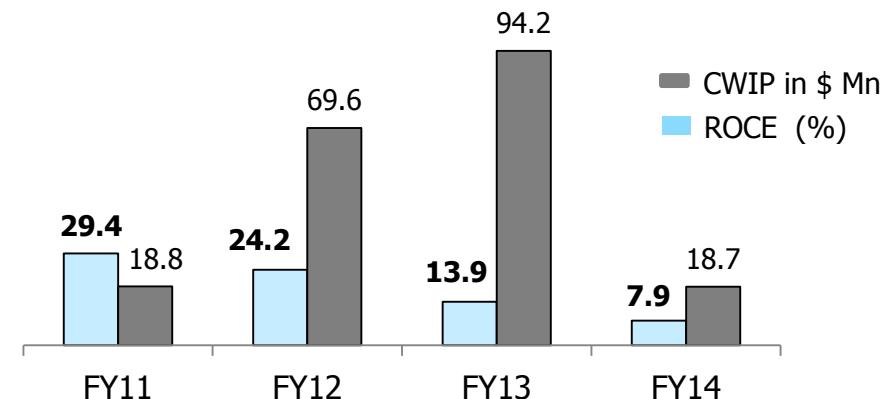


* Including Corporate Dividend Tax

RONW (%)



ROCE





Outlook

Outlook

Technical Textiles Business

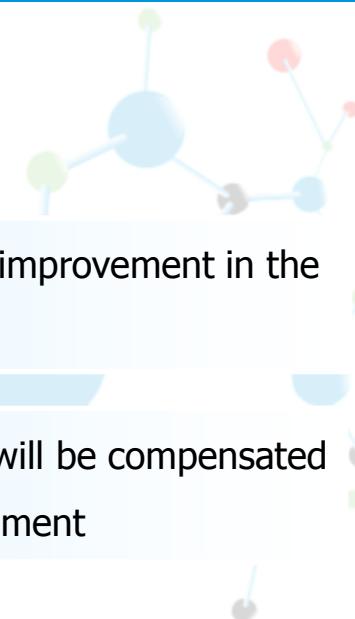


- NTCF is expected to remain a key business in the segment and a generator of steady cash flow
- Demand for NTCF to mirror Indian GDP growth as it is closely linked to the transportation sector
- Improving macroeconomic environment to have a positive impact on laminated, coated and belting fabric segments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



Outlook

Chemicals & Polymers Business



- Expanded R-134a capacities should assist significant sales improvement in the domestic and export markets
- Loss of R-22 markets due to phase down for emissive use will be compensated by increasing feedstock use by the Specialty Chemicals segment
- Future potential and prospects of the Specialty Chemicals Business remain robust
- 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: two new dedicated plants commissioned at Dahej to drive revenues and profitability in FY15

Outlook

Packaging Films Business



- Robust domestic FMCG demand and fast urbanisation leading to healthy growth in demand: industry being cyclical, the situation is expected to turnaround in the near future
- Focus on full utilisation of assets and incorporating more value-added products in the portfolio
- First full year contribution from international operations in FY 2015; expected to positively impact overall performance



Other Milestones

Other Milestones

Awards & Recognitions

Winner of Deming Prizes for 2 businesses

Chemicals Business
2012



SRF in
Forbes'
'Best
Under a
Billion
List'
2011



Tyre Cord
Business
2004

CII-ITC
Sustainability
Awards

2008 Strong
Commitment

2009, 2010 & 2011
Significant
Achievement

2013
Sustainability
Prize



Other Milestones

Awards & Recognitions

Best CFO Award



2012: 'Best CFO' presented by a leading Indian business magazine **BusinessWorld**



CSR Awards

2012 **Businessworld FICCI CSR Award**

2013 **Aaj Tak Care Awards**

2013 **Greentech CSR Award**



Other Milestones

Concern for Community



Education

Undertakes up-gradation of government schools under '**Quality Education for All**' programme, covering 90 primary and middle schools across 60 villages; impacting more than **25,000 children** spread across 6 states in India



Vocational Skills

Undertakes several initiatives to improve the employability of people especially the younger generation from the disadvantaged communities by way of **providing vocational skills**



Natural Resource Management

Continues to reach out to poor families in Alwar district in India to improve their livelihood; **impacting 6,500 families spread over 38 villages**



Health

Continues to **organise various health camps** ranging from medical awareness, diabetes, eye check-ups, blood donation, etc, besides **ongoing HIV/ AIDS Awareness events and HIV Testing programmes** in all plant locations



Thank you