

For immediate release

SRF's Q4 PAT at Rs. 53 crore on 8% increase in Revenue Revenue increases despite no income from CERs

Quarterly Results: SRF standalone

Gurgaon, 9th May 2014: SRF Limited, a multi-business entity engaged in the manufacture of chemical based industrial intermediates, reported an increase of 8% in its net sales at Rs. 884 crore for the last quarter of 2013-14 over the corresponding period last year (CPLY). Impacted by the discontinuation of income from CERs, the company's net profit after tax (PAT) declined from Rs. 72 crore reported a year ago to Rs. 53 crore, a reduction of 26%, during January-March 2014. SRF's audited results were approved by the Board of Directors in a meeting held this afternoon.

While the segment revenue from the Technical Textiles Business increased by 16% from Rs. 410 crore to Rs. 475 crore during January-March 2014 over CPLY, its operating profit grew from Rs. 20 crore to Rs. 44 crore due to favourable market conditions. Similarly, the Packaging Films Business reported around 14% increase in its segment revenue at Rs. 166 crore leading to a QoQ turnaround from an operating loss of Rs. 2 crore to an operating profit of Rs. 5 crore during the period. The segment revenue of the Chemicals & Polymers Business declined by 6% at Rs. 248 crore with 60% drop in operating profit at 34 crore during the fourth quarter of 2013-14 even though there was no income from CERs.

MD's Comments

Reflecting on the results, **Ashish Bharat Ram, Managing Director, SRF**, said, "The company has performed well in a difficult economic scenario. Major investments have been commissioned recently which should provide positive impetus going forward."

Annual Financials: SRF consolidated

For the fiscal ended 31st March 2014, the company reported 6% growth in its consolidated net sales at Rs. 3993 crore as against Rs. 3769 crore recorded previous year. The consolidated net profit after tax (PAT) of SRF declined by 36%, from Rs. 253 crore recorded last year to Rs. 162 crore after absorbing higher depreciation and

interest costs from two new plants commissioned overseas and the absence of income from sale of CERs following changes in European Union - Emission Trading Scheme (EU-ETS).

Financial Ratios

The Net Debt to Equity ratio for SRF Limited increased from 0.43 as on 31st March 2013 to 0.55 times as on 31st March 2014 and the Earning Per Share (EPS) of the company declined from previous year's figure of Rs. 45.02 to Rs. 37.71 for 2013-14.

Capex

The board approved a capex proposal for setting up a second multi-purpose plant to create additional capacity to manufacture specialty chemicals at a total investment of Rs. 140 crore at the company's Chemical Complex at Dahej in Gujarat. When completed, the project will enable the company to cater to the increasing demand for specialty chemicals.

As part of its ongoing capex programme, SRF commissioned 10 projects worth more than Rs. 650 crore during the year.

Dividend

In October 2013 and in February 2014, the SRF Board had approved two interim dividends of 30% and 70% respectively, aggregating to a total of Rs.10 per share. In today's meeting, the board did not recommend any final dividend for the year 2013-14.

About SRF

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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