

SRF LIMITED
Annual Report 04-05



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“Throw your dreams into space like a kite, and
you do not know what it will bring back, a new
life a new friend a new love a new country.”

- Anais Nin



Multiple Businesses. One Goal.

Leadership

Report

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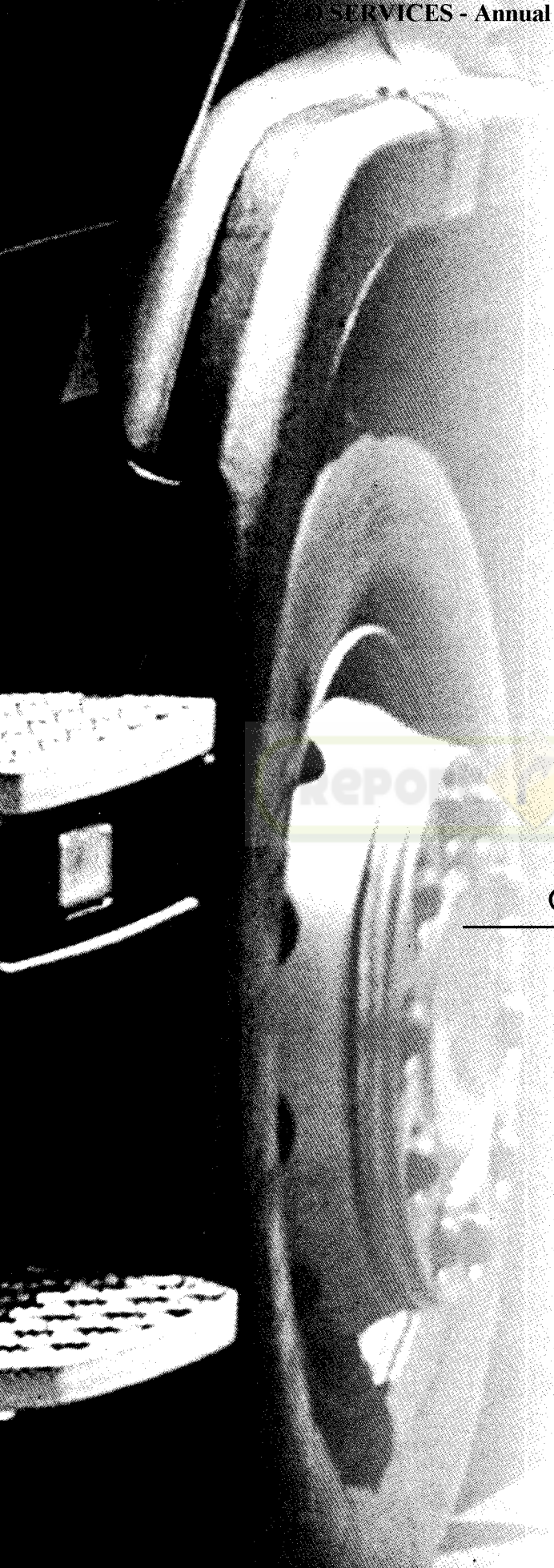
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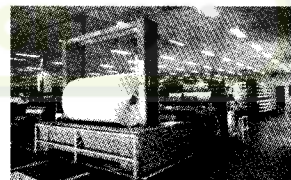
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Nylon Tyre
Cord Fabric



36%

Domestic Market Share

8th largest producer

Nylon Tyre Cord Fabric globally

Leadership Challenge

Prestigious Deming Prize
for TQM implementation

Integrating & Scaling

Brownfield expansions across
fibre & fabric chain



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Deming Application Prize

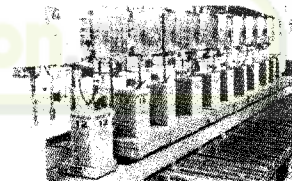
This honour is a recognition
of our profound commitment to quality



Report



Chloromethanes & Refrigerant Gases



40%

Domestic Market Share in Refrigerants

Rapid Growth Opportunities

Increasing demand from white goods & passenger car sectors

Growth Path

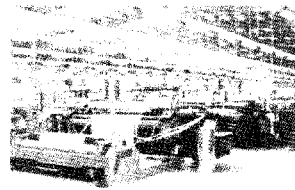
R&D led product development, process patent and new generation gases

Futuristic Expansion

Building capacities for new generation gases - HFC-32 & HFC-134a



Belting Fabrics



61%

Domestic Market Share

2nd largest Producer

Belting Fabrics globally

Sound Growth Opportunities

Increasing demand from Industry,
Exports & Outsourcing

Competitive & Competent

Lean cost structures and
high quality standards

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Packaging Films



25,700 TPA

Consolidated capacity

20,500 TPA

Established state-of-the-art plant
at Indore SEZ

Promising Growth Opportunities

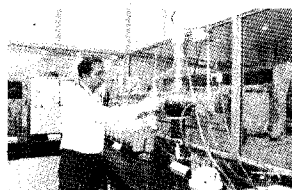
Domestic and Global

Best-in-class Operations

Cost competitive, value added
products, strong customer focus
locally and globally



Pharma Chemicals



Natural Extension
of Fluorochemical Business

Leveraging
Knowledge strength of halogen
chemistry

Seeding Growth
Strong R&D backbone,
nurturing new products

Established Capabilities
State-of-the-art plant, commercial
supplies commenced

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Chairman's Letter

Dear Shareholder,

The new government under the premiership of Dr. Manmohan Singh has completed a year in office. It has been a good year for the country. According to the Quick Estimates of the Central Statistical Organisation, India's real GDP growth for 2004-05 is supposed to be 6.9%. This is a very commendable performance on two grounds. First, it occurred despite less-than-average monsoons and mediocre agricultural performance; and second, it came on the back of the high 8.5% growth of the previous year. I believe that when the final estimates are released, India's GDP growth for 2004-05 will exceed 7%.

Moreover, I see no reason to expect economic growth of anything less than that for 2005-06. In fact, if we have normal rainfall, it would be safe to predict a growth somewhere in the region of 7.2% to 7.5%.

I share the view of many economists that India is rapidly transiting to a higher growth path. Up to the 1980s, the average annual GDP growth was less than 4%. In the 1980s, this had risen to over 5%. Between 1992 and 2004, the average further increased to 6.2%. In the new budget greater emphasis has been given to rural economy, agriculture and policies like highway construction and connecting villages to the highway are carried forward. In such a milieu, I believe that we are poised to witness the next structural shift, where average decadal growth will rise to above 7%.

This growth will create the right kind of impetus for the transportation sector as well as for industrial products both of which have positive implications in terms of demand for your Company's products.

Let me now move on to the performance of your Company during 2004-05.

- Net sales increased by 28.7% from Rs. 820.2 crore in 2003-04 to Rs. 1,055.2 crore in 2004-05.
- Profit before depreciation, interest and tax (PBDIT) increased by 11.4% from Rs. 145.3 crore in 2003-04 to Rs. 161.9 crore in 2004-05.
- Profit after tax (PAT) increased by 44.3% from Rs. 41.6 crore in 2003-04 to Rs. 60.1 crore in 2004-05.