



annual report

2011-12

Awards & Recognitions



- **Forbes Asia**, the prestigious business magazine, ranked SRF as one of Asia Pacific's 200 Best Corporations Under a Billion in annual revenue for 2011. SRF was one among only 35 Indian companies to get the honour.
- SRF's Chemicals Business won the **Commendation Certificate for Significant Achievement** under the prestigious **CII-ITC Sustainability Award-2011**. This was for the 4th year in a row that SRF bagged the prestigious award for its endeavor towards sustainable economic, environmental and social development.
- SRF's Chemicals Business was awarded the **Shikshak Shri Samman** by the District Education Department for strengthening primary education in the supported schools.
- The Chemicals Business of SRF Limited received the **State Award For Export Excellence** by the Government of Rajasthan, as a recognition of the outstanding export performance by the business in the year 2011.
- The Packaging Films Business of SRF bagged the **EPCES Export Award** in the Category-II Product Specific SEZ (Plastic Product), for the 5th consecutive year, for the year 2009-10.
- The Natural Resource Management (NRM) project of SRF was selected as a **Unique Example of NGO-Business Partnership Model** and was showcased at Erasmus University, Rotterdam in April 2011.
- Mr Rajendra Prasad, CFO, was honoured with the prestigious **Best CFO Award** by one of the leading business magazines, **Businessworld**.
- Mr Suresh Tripathi, President (HR) was awarded **Pride of HR Profession Award** at the **India Human Capital Summit**.



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message from...

...the
chairman



Dear shareholders,

The ability to adapt is the key to success in today's time which is marked with uncertainty and volatility. A lot is happening in SRF which will change the size, shape and complexion of its businesses in the years to come. We are expanding our footprint overseas. Within a couple of years, a sizeable portion of our revenue will come from outside India. Also, with majority of the investments going into the Chemicals and the Packaging films, the company's dependence on the Technical Textiles Business will come down gradually, although growth will continue in select areas of technical textiles.

[The major growth initiative is our Chemical Complex, which is coming up at Dahej in Gujarat. Today I am happy to announce that we are close to realising our dream.](#)

Three new units namely the Flexible Multi-Purpose Plant, the Intermediate Speciality Plant and the Multi-Purpose Chemical Plant, are in the process of being commissioned and many more are in the conceptualisation phase. You will appreciate that developing a green field chemical complex of such scale and complexity is a major task. I take this opportunity to thank my colleagues involved in the project for their active engagement, continued commitment and enthusiastic co-operation.

[In many ways, the new chemical complex will set a new direction for SRF.](#) To begin with, this will help us add a variety of fluorochemicals and fluorospecialties in our product basket, which we sincerely believe are the growth drivers for SRF. While the addition of new products will surely change the contours of your company's product offerings, for our scientists, this will also be a big leap forward as they add to their capabilities to develop a wider variety of products on a large scale. More importantly, the success of the new plants will stamp our authority as one of the select global players with a proven R&D capability especially in the area of fluorine chemistry.

[In line with our focus on de-risking our business, we are setting up two green field overseas plants for packaging films.](#)

While our BOPET film plant is coming up in Thailand, our plant in South Africa will mark our maiden entry into BOPP films. This will also help us expand our portfolio geographically for packaging films. Both these plants are scheduled to be commissioned during 2013-14. In addition, the new Coated Fabric plant is getting ramped up and will help the Technical Textiles Business reduce its dependence in Nylon Tyre Cord.

Prospects notwithstanding, the challenges are enormous. The year gone by was certainly one of the most difficult periods for the business in general. The situation, however, does not seem to be any different now. While the global economy continues to be tottering on the brink of yet another slowdown, India is struggling with a variety of economic woes with the burgeoning current account and fiscal deficit, rupee depreciation, rising input costs, double-digit inflation and high interest rates. As expected the growth of the Indian economy declined from 8.4% in 2010-11 to 6.9% during 2011-12. This was primarily due to deceleration in industrial growth, which plunged to a level of 2.8% in 2011-12 on the heels of 8.2% growth recorded during the previous year.

Managing operations in a turbulent environment is certainly a challenging task. Though in absolute terms our net profit after tax declined by 20% on YoY basis, it's a credit to our team that your company managed to post a net profit of Rs 387 crore in 2011-12 even during such difficult times.

[At SRF, we truly believe that the purpose of an organisation is not merely to earn profits but to share prosperity with the community at large.](#) As always, we launched a number of new initiatives in collaboration with other organisations such

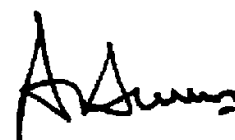
as IBM and Schneider to provide quality education to the underprivileged children of the Mewat region in Haryana. Building on our Natural Resource Management (NRM) programme, we reached out to a large number of families in our effort to enhance the livelihood of the poor people of the dry and arid region around our chemical plant at Bhiwadi in Rajasthan.

In recognition of its contribution towards sustainable development, your organisation received the prestigious *CII ITC Sustainability Award* for the 4th year in a row - SRF received the recognition for *Significant Achievement* in the Independent Category. [Your organisation also received a rare international recognition by figuring in the Forbes Best under a Billion List for its overall performance.](#) SRF was one of the 35 Indian companies to have made it to the list.

We are proud to have a team of dedicated people who are committed to working towards the progress of the company. We remain committed to achieving sustainable growth of your company through total excellence and working towards returning value to our shareholders. We are also committed to provide help to the society so that we continue to earn the respect of all our stakeholders both in good and bad times.

I would like to take this opportunity to thank all the shareholders for reposing trust in the SRF management and our Board of Directors for their constant support and guidance. Together, we will take the company to new heights in future.

With kind regards,



ARUN BHARAT RAM



board of directors



Left to right (From top left): Arun Bharat Ram • Ashish Bharat Ram • Kartikeya Bharat Ram
S P Agarwala • K Ravichandra • Vellayan Subbiah • Vinayak Chatterjee • Subodh Bhargava
L Lakshman • Tejpreet S Chopra • Piyush G Mankad
(as on 1st May 2012)



Chemical Complex, Dahej, Gujarat

company information

Chemicals and Polymers Business: PLANTS

- Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan
- Manali Industrial Area, Manali, Chennai - 600068, Tamil Nadu
- Plot No. 14 C, Sector 9, IIE Panthnagar, Distt. Udham Singh Nagar - 263153, Uttarakhand
- D III/1 GIDC, PCPIR, GIDC, Phase II, Tal Vagra, Village Dahej, Distt. Bharuch - 392130, Gujarat

Technical Textiles Business: PLANTS

- Manali Industrial Area, Manali, Chennai - 600068, Tamil Nadu
- Industrial Area, Malanpur, Distt., Bhind - 477116, MP
- Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu
- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244713, Uttarakhand

Packaging Films Business: PLANTS

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244713, Uttarakhand
- Plot No. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pithampur, Distt. Dhar - 454775, Indore, MP

Notice

Notice is hereby given that the 41st Annual General Meeting of SRF Limited will be held on Wednesday, the 25th July, 2012 at 11.30 a.m. at the Laxmipat Singhania Auditorium, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 to transact the following businesses: -

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

“RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, New Delhi (Registration No. 015125N) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Audit Committee/ Board of Directors and service tax thereon and re-imbursement of travelling and other incidental expenses, if any, incurred in connection with the audit.”
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the vacancy created on the Board of Directors by the retirement by rotation of Mr Subodh Bhargava and who has not offered himself for re-appointment on the Board of Directors, be not filled in at this meeting.”
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the vacancy created on the Board of Directors by the retirement by rotation of Mr Piyush G Mankad and who has not offered himself for reappointment on the Board of Directors, be not filled in at this meeting.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Appointment of Mr Tejpreet Singh Chopra, as a Director, liable to retire by rotation:

“RESOLVED THAT Mr Tejpreet Singh Chopra, who by his co-option as an additional Director with effect from 21st

September, 2011, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Appointment of Mr L Lakshman, as a Director, liable to retire by rotation :

“RESOLVED THAT Mr L Lakshman, who by his co-option as an additional Director with effect from 11th November, 2011, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

Appointment of Mr Vellayan Subbiah, as a Director, liable to retire by rotation:

“RESOLVED THAT Mr Vellayan Subbiah, who by his co-option as an additional Director with effect from 1st May 2012, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Re-appointment of Mr K Ravichandra as Director (Safety & Environment):

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, approval of the Company be and is hereby accorded to the re-appointment of Mr K Ravichandra in the whole-time employment of the

Company as Director (Safety & Environment) with effect from 1.10.2012 for a period of three years.

Functions

Mr K Ravichandra shall be responsible for compliances with the laws relating to safety, health and environment at the factories of the Company, present and future and such other responsibilities, if any, as may be entrusted to him by the Chairman, Managing Director and/or the Board, from time to time.

Remuneration

Subject to overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr K Ravichandra shall be Rs. 8 lacs per annum.

Gurgaon, 1st May, 2012

Regd. office
C-8, Commercial Complex,
Safdarjung Development Area
New Delhi-110016

“RESOLVED FURTHER THAT remuneration for a part of the year shall be computed on pro-rata basis.”

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits, the remuneration as mentioned above, shall be paid to K. Ravichandra as minimum remuneration with the approval of the Central Government, if required”.

Termination

The appointment of Mr K.Ravichandra as Director (Safety & Environment) may be terminated by either party giving to the other three calendar months' notice in writing.

By Order of the Board

for SRF LIMITED

Sd/-

(Anoop K Joshi)

Vice President & Company Secretary

Notes

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY COMPLETED, TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 18th July, 2012 to Wednesday, the 25th July, 2012 (both days inclusive) for the purposes of holding the Annual General Meeting.
4. Members holding shares in physical form are requested to notify change in address and bank mandate, bank particulars, updation of email addresses if any, under their signatures to Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, the Registrar & Share Transfer Agent, quoting folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.

In terms of SEBI Circular dated 20th May, 2009 and 7th January, 2010 pertaining to (i) transfer of physical shares (ii) deletion of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares; and (iv) transposition of shares- when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders, of the listed companies, the transferee(s) are requested to furnish copy of their Permanent Account Number (PAN) Card along with the other documents to the RTA for the above mentioned purpose, irrespective of the value of the transaction.
5. Members seeking any information regarding accounts to be given at the meeting are requested to write to the Company at its Corporate Office at Block C, Sector – 45, Gurgaon- 122 003 (Haryana) at least seven days before the date of the meeting so as to enable the management to keep the information ready.
6. All amounts of unclaimed dividend declared up to the financial year ended 31st March, 2004 have been transferred to the General Revenue Account of the Central Government/Investor Education and Protection Fund as required by the Companies Act, 1956.
7. Pursuant to Section 205A of the Companies Act, 1956, dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund of the Central Government.

Section 205C of the Act states that no claims shall lie against the Fund or the Company in respect of individual amounts which were unclaimed and unpaid for seven years as aforesaid and transferred to the Fund.

Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial years ended

31st March 2005 and thereafter may send their outdated dividend warrants to the Company at its Corporate Office or to the Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited for issue of demand drafts in lieu thereof.

8. Members are requested

- i) To bring copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.

- ii) To quote their folio/identification Nos. in all correspondence.
- iii) To note that no gifts will be distributed at the meeting.
- iv) In case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956

Item No. 3

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr Subodh Bhargava retires by rotation and has not sought re-election due to his personal commitments. The Board proposes that the vacancy caused by his retirement shall not be filled up at the ensuing Annual General Meeting.

None of the Directors may be deemed to be concerned or interested in the proposed resolution. The Board of Directors recommends the resolution for approval of the members.

Item No. 4

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr Piyush G Mankad retires by rotation and has not sought re-election due to his personal commitments. The Board proposes that the vacancy caused by his retirement shall not be filled up at the ensuing Annual General Meeting.

None of the Directors may be deemed to be concerned or interested in the proposed resolution. The Board of Directors recommends the resolution for approval of the members.

Item No. 5

Mr Tejpreet Singh Chopra (43) was co-opted as an additional Director on the Board of Directors of the Company on 21st September, 2011. In terms of Articles of Association of the Company and section 260 of the Companies Act, 1956 he holds office upto the date of forthcoming Annual General Meeting.

Mr Tejpreet Singh Chopra did his B.A. (Hons) in Economics from St Stephen's College, Delhi University and MBA from Cornell University, USA

Mr Tejpreet Singh Chopra is the Founder, President & CEO of Bharat Light & Power. Bharat Light & Power is a clean power generation company utilizing a variety of advanced technologies. Mr Tejpreet's 18 years of global management and finance experience was gained in various business roles held in France, England, Hong Kong, India and USA, of which over 14 years were at General Electric. Mr Tejpreet is involved in various industry associations. He was a

member of National Council of the Confederation of Indian Industry (CII), The Chairman of American Chamber of Commerce in India (AMCHAM), and Board of Directors of the U.S. - India Business Council (USIBC).

Mr Chopra has no shareholding in the Company. He is not holding Directorship in any other public company.

The Company has received a notice under Section 257 from a member signifying his intention to propose the candidature of Mr Tejpreet Singh Chopra at the forthcoming Annual General Meeting.

None of the Directors of the Company other than Mr Tejpreet Singh Chopra is concerned or interested in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Item No. 6

Mr L Lakshman (66) was co-opted as an additional Director on the Board of Directors of the Company on 11th November, 2011. In terms of Articles of Association of the Company and section 260 of the Companies Act, 1956 he holds office upto the date of forthcoming Annual General Meeting.

Mr L Lakshman is a Mechanical Engineer from the PSG college of Technology, University of Madras and an alumnus of London Business School, UK.

Mr L Lakshman is currently an Executive Chairman of Rane Holdings Limited, an apex Company of Rane Group, an acknowledged leader in the auto component industry. Mr L Lakshman steered the Rane group during a challenging and very exciting phase in the automobile industry's evolution and transformation in India. Under his leadership, Rane Brake Lining Limited, Rane Engine Valve Limited, Rane TRW Steering Systems Limited and Rane (Madras) Limited have won the coveted Deming prize. He retired as Chairman of the operating companies of the group in October 2006. As President, Madras Chamber of Commerce & Industry, ASSOCHAM, Federation of Chamber of Commerce Mr L Lakshman has been an active member in various industry forums.

Mr L Lakshman has no shareholding in the Company.

Details of his directorship and committee membership are as follows-