



# annual report

2013-14

## Awards & Recognitions



SRF's Chemicals Business entered the league of India's most sustainable business organisations as adjudged by the jury of the **CII-ITC Sustainability Awards for 2013**. The Chemicals Business won the **Sustainability Prize**, which was the highest category of sustainability awards presented during the year.



SRF Foundation was conferred the prestigious **Aaj Tak Care Awards 2013 – Honoring excellence in CSR** under the category of **'Education'** at a function held on 27 August 2013.

## Highlights... 2013-14

- SRF successfully commissioned two maiden overseas plants under its Packaging Films Business; **one in Thailand for BOPET films and the second one in South Africa for BOPP films**, which is a new product for SRF
- SRF scaled up its HFC-134a capacity by three fold to around 17500 tonnes per annum with the commissioning of its **second HFC-134a plant (12500 tpa) at Dahej** in March 2014
- The Fluorochemicals Business of the Company launched new pack of the ozone-friendly refrigerant, **HFC-134a cans in 450 gm size**, adding to the existing can in 340 gm size
- SRF successfully developed and commercialised **PVDC Film**, a type of transparent, high barrier film for food packaging applications at its BOPET plant in Indore
- SRF's Chemicals Technology Group filed **10 new process patents** as intellectual property of the Company during the year taking the total number to **39**
- The Company's Coated Fabrics Business successfully launched two new products, **'Double Side Striped Awning' fabrics, SRF FABAWN** and **'Easy to Clean Awning' fabrics** through special surface treatment
- The Company developed and launched new variants of industrial yarn, **Dope dyed yarn, ultra-thin twines and yarns for making velcro fastner tapes**

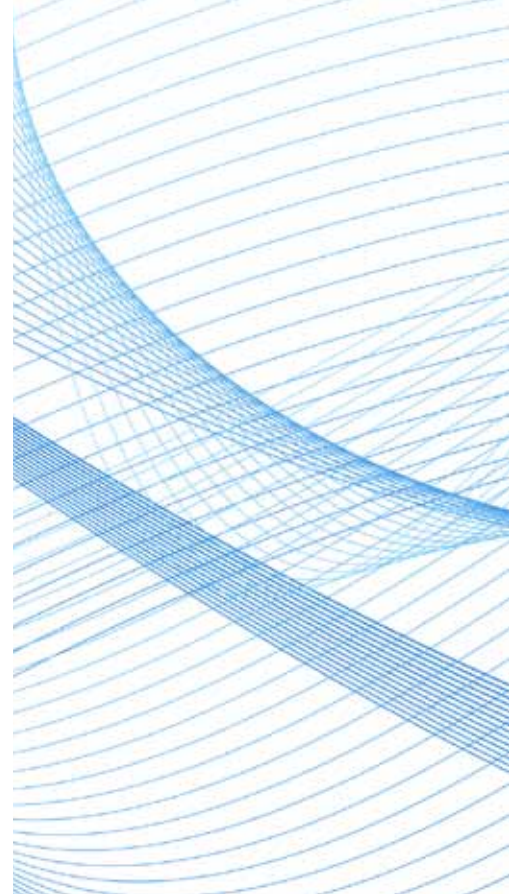
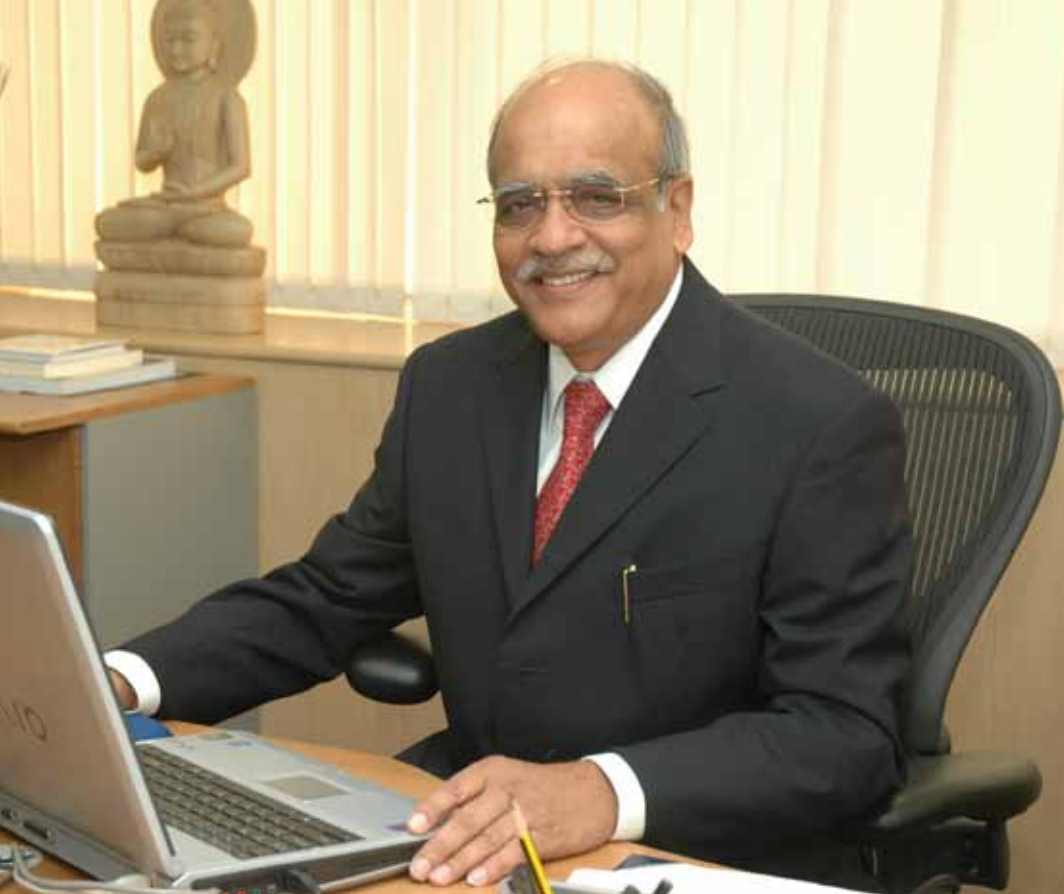




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## Dear shareholders,

I write to you at a time when we are witnessing a very interesting phase in the evolution of SRF. The Company is at the threshold of a new era. This has been made possible by the relentless pursuit of our R&D teams over last 10 years in the field of specialty chemicals. The journey that started in 2003 with our small but firm steps of developing indigenous technology to manufacture HFC-134a has acquired a strong momentum with a wide portfolio of products and processes to cater to the global agro and pharma majors. To our credit, we have filed 39 process patents so far.

You will be happy to know that our new Chemical Complex at Dahej in Gujarat, which only became operational in 2012-13 with a few initial projects, has today become the largest manufacturing site in SRF. The total assets on the ground at the new site are in the region of ₹ 1200 crores and we have a continuous stream of projects coming up over there.

The emergence of the Dahej site is thus a reflection of our commitment to carve out a special niche for ourselves in this growing space. The Chemicals Technology Group that we have created to focus on R&D continues to be the backbone of our growth in the area of specialty chemicals. I take this opportunity to thank all our past and present scientists and engineers who worked tirelessly to build our capabilities to develop, produce and commercialise specialty chemicals.

Today, we can justifiably pride ourselves in being one of the few in the world and arguably the only player in the country to be engaged and involved in carrying out research in the field of fluorine molecules.

In addition, we also scaled up our capacity of the ozone friendly refrigerant HFC-134a by around three-fold to 17,500 tonnes per annum (tpa) with the commissioning of a second HFC-134a plant of 12,500 tpa capacity at Dahej during March 2014. Increasing urban population and rising living standards provide us confidence that the demand for refrigerants will increase in the coming years. The enhanced capacity of HFC-134a for which we are the only manufacturer in India will not only enable us to increase our market leadership in India but also enter new markets abroad.

Pursuing our strategic goal of reducing our dependence on the Technical Textiles Business, which continues to be the flagship business of SRF, we further diversified our product portfolio during the year 2013-14. As communicated to you last year, we successfully commissioned two maiden overseas plants under our Packaging Films Business; one in Thailand for Bi-axially Oriented Polyethylene Terephthalate (BOPET) films and the second one in South Africa for Bi-axially Oriented Polypropylene (BOPP) films, which is a new product for SRF.

As regards Technical Textiles Business, we feel that the demand for nylon tyre cord fabrics (NTCF), our largest business, will continue despite radialisation of medium and heavy commercial vehicles. We believe that the growth in the demand for NTCF will essentially be driven by growth in the two-wheeler and off-the-road vehicle segments. The polyester tyre cord fabrics (PTCF) business, however, continues to struggle due to global surplus and low margins in the domestic market.

## Chairman's Message

You will also be happy to know that our belting fabrics business performed well by judicious changes in the product-mix and pricing strategies even during the sluggish market conditions. We believe that the demand for belting fabrics should further improve once the mining and manufacturing sectors begin to grow. We are quite excited about the opportunities that exist in the field of coated and laminated fabrics. These are the only set of products in SRF, which are used and seen by the consumers in the same form as produced by us. While our coated and laminated fabrics are undoubtedly world class products, there's no gainsaying the fact that our success in this segment will rest on our ability to differentiate our superior products from other available options.

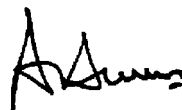
In line with our growth in businesses, we made commensurate investments in the supporting area of IT, HR and TQM to further strengthen our operational and delivery mechanisms. The investments in these areas are a testimony to our firm belief that human resource is the most critical asset of our company. Moreover, we developed and rolled out several programmes during the year to reiterate the fact that our organisational values will always remain at the core of everything we do in SRF. We also improved and augmented our financial controls and reporting systems to meet the enhanced and more stringent statutory norms of the newly introduced Companies Act during the year.

As always we continued to contribute to the community development through public-private-community partnership model. Our endeavour has always been to touch the lives of underprivileged people in our communities through our initiatives in the areas of health, education, affirmative action and natural resource management. Our colleagues in the Company's social wing, SRF Foundation and the plants involved in CSR activities deserve applause for their selfless service to the cause of humanity.

At the end, I would like to thank you all for your continued trust and support. I would also like to thank our esteemed board members for their guidance and our colleagues for their active involvement and engagement in the Company's growth.

We remain excited about our future. While our feet are on the ground, we have set our eyes on a new horizon.

With kind regards,



**Arun Bharat Ram**



# Company Information

## Board of Directors



**Arun Bharat Ram**  
*Chairman*



**Ashish Bharat Ram**  
*Managing Director*



**Kartik Bharat Ram**  
*Dy Managing Director*



**K Ravichandra**  
*Director*  
*(Safety & Environment)*



**Vellayan Subbiah**



**Vinayak Chatterjee**



**L Lakshman**



**Tejpreet S Chopra**



**Pramod Bhasin**

### Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants

### Company Secretary

Anoop K Joshi

### Bankers

- ICICI Bank • State Bank of India • Standard Chartered Bank
- Citibank NA • Yes Bank Limited • HDFC Bank
- The Royal Bank of Scotland • Kotak Mahindra Bank
- Development Bank of Singapore



## Chemicals and Polymers Business

- Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301018, Rajasthan
- Manali Industrial Area, Manali, Chennai - 600068, Tamil Nadu
- Plot No. 14 C, Sector 9, IIE Pantnagar, Distt. Udham Singh Nagar - 263153, Uttarakhand
- D II/I GIDC, PCPIR, GIDC, Phase II, Tal Vagra, Village Dahej, Distt. Bharuch - 392130, Gujarat

## Technical Textiles Business

- Manali Industrial Area, Manali, Chennai - 600068, Tamil Nadu
- Industrial Area, Malanpur, Distt. Bhind - 477116, Madhya Pradesh
- Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601201, Tamil Nadu
- Viralmalai, Distt. Pudukottai - 621 316, Tamil Nadu
- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244713, Uttarakhand

## Packaging Films Business

- 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, Madhya Pradesh

### Registered Office

CIN: L18101DL1970PLC005197  
C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110016, India  
Email: info@srf.com Website: www.srf.com

### Corporate Office

Block-C, Sector-45, Gurgaon - 122003, Haryana, India



## SRF Limited

(CIN: L18101DL1970PLC005197)

Regd. Office: C-8, Commercial Complex,

Safdarjung Development Area,

New Delhi-110016

Email: info@srf.com website: www.srf.com

Tel. No: (+91-11) 26857141 Fax: (+91-11) 26510428

## NOTICE

Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting of SRF Limited will be held on Monday, the 4 August 2014 at 3.30 PM 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 31 March 2014 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of **Mr K Ravichandra** (DIN 00641900), who retires by rotation and being eligible, offers himself for re-election.
3. 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 47<sup>th</sup> Annual General Meeting and to fix their remuneration and 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 47<sup>th</sup> annual general meeting (subject to ratification of their appointment by the members at every annual general meeting held after this 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."

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, the first para of Article 87 of the Articles of Association of the Company be and is hereby altered by substituting the following Article in its place:

"87: "Managing Director": The Directors may, from time to time, appoint one or more Directors as the Managing Director or Joint/Deputy Managing Directors for such term and with such powers and at such remuneration, whether

by way of salary or commission, or partly in one way and partly in another, as they may think fit and a Director or Directors so appointed may be subject to retirement by rotation as the Board may decide.

Subject to the control, direction and supervision of the Board of Directors, the Managing Director or Joint/Deputy Managing Directors shall be entitled to look after and manage the business of the Company, purchase and sale of goods, enter into and sign contracts, borrow or lend money with or without security, open bank accounts, current or overdraft, sign, draw and endorse, cheques, hundies and other drafts and generally to do all such acts, deeds and things and sign all such papers and documents as may be necessary for carrying on the business and managing the affairs of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, the following Article 87A be inserted after Article 87 in the Articles of Association:

"87A: Chairman: The Directors may, from time to time, appoint one or more of the Directors as Chairman. The Chairman may hold the position of Chairman and Managing Director/Chief Executive Officer/equivalent position thereof in the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr Vinayak Chatterjee** (DIN 00008933), Director of the Company and in respect of whom the Company has received a notice in writing under



Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31 March 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr L Lakshman** (DIN 00012554), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31 March 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr Tejpreet Singh Chopra** (DIN 00317683), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31 March 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr Vellayan Subbiah** (DIN 01138759), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31 March 2019.”

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

“RESOLVED THAT pursuant to the provisions of

Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr Pramod Bhasin** (DIN 01197009), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31 March 2019.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2015 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
Mr Harkesh Tara (Membership No. 17321)	Technical Textile Business and Engineering Plastic Business	₹ 3.41 lakhs plus service tax and reimbursement of actual out of pocket expenses
M/s Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Film Business	₹ 4.73 lakhs plus service tax and reimbursement of actual out of pocket expenses

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

“RESOLVED THAT pursuant to the provisions of Sections 42 and any other applicable provisions of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors of the Company be and is hereby authorised to offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in or more series/tranches, aggregating upto ₹ 500 crores (Rupees five hundred crores), on private placement, on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto;

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in supersession of the ordinary resolution adopted at the 35<sup>th</sup> Annual General Meeting held on 25 July 2006 under the provisions of Section 293(1)(d) of the Companies Act, 1956, consent of the members be and is hereby accorded to the Board of Directors (which term shall include any committee thereof) to borrow monies in terms of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, notwithstanding that the aggregate borrowings (apart from temporary loans from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital and free reserves, i.e., reserves not set apart for any specific purpose, provided, however, that the aggregate amount of monies which may be borrowed shall not exceed ₹ 3000 crores.

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

"RESOLVED THAT in supersession of the resolution passed under the provisions of Section 293(1)(a) of the Companies Act, 1956 at the Extra Ordinary General Meeting of the Company held on 17 May 1995 and pursuant to the provisions of Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall include any committee thereof) for creation of mortgages, charge and hypothecation or creation of security, in such form and manner and on such terms and at such time(s) as the Board may deem fit, over the assets of the Company, the whole or substantially the whole of the undertaking of the Company wherever situate, present and future, whether presently belonging to the Company or not, with a right to take over the management of the business and

undertaking of the Company in certain events, in favour of any lender including financial/investment institution(s), bank(s), insurance company(ies) or others including Trustees for the holders of debentures issued/to be issued and/or assigned in favour of, or the obligations in respect of which may be assumed by the Company, as may be required and approved by the lead institution, if any, and the respective Trustees in order to secure:

- A. the redemption of debentures issued/to be issued by the Company and/or any other debentures assigned in favour of the Company or the redemption of which may be undertaken by the Company and/or the repayment of any loan(s) or credit facilities granted and/or to be granted from time to time to the Company by any one or more of the aforesaid institutions/persons; and
- B. the payment of interest at the respective agreed rates, compound/additional interest, liquidated damages, premium on redemption, if any, costs, charges, expenses and all other money(s) in terms of the respective letters of Sanction/Offer, Prospectus or any other offer document, Loan Agreements, Trustees Agreements, Debenture Trust Deeds, Agreements/Deeds of Hypothecation, etc., executed/to be executed by the Company or in pursuance of an order of a court in respect of the said loans/credit facilities/debentures including debentures assigned or in respect of which the obligation for payment of interest may vest with the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the form, extent and manner of and the documents and deeds, where applicable, for creating the appropriate mortgages and/or charges on such of the immovable and/or moveable properties of the Company on such terms and conditions as may be decided by the Board in consultation with the Lenders, Trustees and /or other persons and for performing all such acts and things as may be necessary for giving effect to this resolution."

By Order of the Board  
For SRF LIMITED  
Sd/-  
(Anoop K Joshi)

Gurgaon, 21 June 2014 President & Company Secretary