



2014-15 annual report

HIGHLIGHTS 2014-15



SRF organised a Company-wide celebration to mark the **Birth Centenary** of its Founder Chairman, the Padma Bhushan Late **Dr Bharat Ram** who was one of the doyens of the Indian Industry



SRF acquired Global **DuPont™ Dymel®** HFC 134a Pharma Business



SRF **Floron 134a** cans were for the first time available on the shelves of the Walmart Stores in US



CSR Times recognised SRF Foundation with the Pandit **Madan Mohan Malviya Award 2014** for positively impacting the lives of 16,000 school children through its educational programmes in the Nuh Block of Mewat in Haryana



SRF Foundation received the prestigious **NGOBOX CSR Award 2014** under the category of the Best NGO Practices by Indian Entities in the field of CSR



SRF won the **CRY CSR Sustainability Award 2015** in recognition of its contributions towards Child Rights both within and outside the Company and its initiatives in field of education



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CHAIRMAN'S MESSAGE

Dear shareholders,

The year 2014-15 was an eventful year for SRF with many significant firsts in our 40 year history. For the first time our cans for HFC 134a were displayed and sold from the shelves of Walmart stores in the USA. Through a very thought out acquisition of DuPont's worldwide business of HFC 134a Pharma grade gas, we got an instant entry into the highly quality conscious pharma segment. And, the number of process patents filed by our scientists from the R&D Division for Specialty Chemicals cumulatively crossed the half century mark of 50 during the year.

We are particularly proud that our strategy to aggressively de-risk our businesses through expansion and diversification has been vindicated and translated into visible success and results. Building on our unique strength in the space of Specialty Chemicals, we capitalised a dedicated intermediate product plant and a multi-purpose plant during the year at our Chemical Complex at Dahej in Gujarat and moved up the value-chain. While we have built this business by servicing the agrochemical market, our strategy to enter the pharma chemical market is starting to pay dividends. We ramped up the production of HFC 134a from the new unit at Dahej. We also launched new products of coated fabrics for a variety of applications. Further, as part of our turnaround strategy for our Polyester Yarn & Fabrics segment, we successfully renewed our focus on the yarn business for diversified industrial applications.

And, that's not all. Our mother product, nylon tyre cord fabric, which continues to face stagnant demand, performed reasonably well and maintained its leadership position in the domestic market. To safeguard against the prevailing

"But as an organisation, we remained resolute and relentless in our quest for strengthening our cost-competitiveness and operational excellence across all businesses."

slowdown in the international market for belting fabrics, we diverted our attention to the domestic market and expanded the range of our value-added products, and gained in market share. It is, therefore, no coincidence that the Company once again delivered a robust performance during the year despite challenging global economic environment. Growth of 86% in the consolidated profit after tax (PAT) for the group during 2014-15 reaffirms our belief in our management, in our strategic business directions and most importantly, in the caliber and commitment of our own people.

The performance assumes greater significance when viewed against the backdrop of significant fall in the prices of the crude based commodities in the second half of the year. These commodities form a significant part of our raw materials. The event thus had an adverse impact on the profitability due to losses on account of inventories held by SRF of higher priced raw material, work-in progress and finished goods.

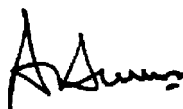
We continued to invest in building and enhancing our people, IT and TQM capabilities, the building blocks of our high-performance driven work culture and ethics. And most importantly, we remained committed to conduct our businesses with our strong organisational values and by adhering to the laws of the land.

In short, we did all we could to retain and improve the Company's growth. This year, our social wing, SRF Foundation expanded the outreach of its initiatives and positively impacted the lives of more than 10000 students through its educational programmes and more than 6500 families through its Natural Resource Management programmes. At SRF, we really feel fortunate to be in a position to make a meaningful difference in the lives of so many. This is the least we can do to make a difference.

Let me also assure you all that we will continue to work towards creating enduring business value for all our stakeholders. I take this opportunity to thank you all for your continued trust and confidence in the Company. I am also grateful to our customers for reposing faith in our capability to serve them, our esteemed board members for their guidance, our employees for their relentless efforts and our community for its support and understanding.

At SRF, we continue to work towards creating a better tomorrow.

With kind regards,



Arun Bharat Ram

COMPANY INFORMATION

Board of Directors



Ashish Bharat Ram



Arun Bharat Ram



Kartik Bharat Ram



L Lakshman



Vinayak Chatterjee



Vellayan Subbiah



Dr Meenakshi Gopinath



Tejpreet S Chopra



K Ravichandra



Pramod Bhasin

SRF Limited

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 • HSBC • Kotak
Mahindra Bank

Registered Office

(CIN: L18101DL1970PLC005197)
C-8, Commercial Complex,
Safdarjung Development Area
New Delhi -110 016, India
Email: info@srf.com
Website: www.srf.com

Corporate Office

Block - C, Sector - 45
Gurgaon - 122 003, Haryana, India

PLANTS



Chemicals & Polymers Business

- Village & P.O. Jhiwana, Tehsil Tijara
Distt. Alwar - 301 018, Rajasthan
- Manali Industrial Area, Manali
Chennai - 600 068, Tamil Nadu
- Plot No. 14 C, Sector 9, IIE
Pantnagar, Distt. Udham Singh
Nagar - 263 153, Uttarakhand
- D II/I GIDC, PCPIR, GIDC, Phase II
Tal Vagra, Village Dahej
Distt. Bharuch - 392 130, Gujarat



Technical Textiles Business

- Manali Industrial Area, Manali
Chennai - 600 068, Tamil Nadu
- Industrial Area, Malanpur
Distt. Bhind - 477 116, Madhya Pradesh
- 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 - 244 713, Uttarakhand



Packaging Films Business

- Plot No. 12, Rampura, Ramnagar
Road Kashipur, Distt. Udham Singh
Nagar - 244 713, Uttarakhand
- Plot No. C 1-8, C 21-30, Sector 3
Indore Special Economic Zone
Pithampur, Distt. Dhar - 454 775
Indore, Madhya Pradesh

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 44th Annual General Meeting of SRF Limited will be held on Thursday, the 6 August 2015 at 3.30 P.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: -

Ordinary Business

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the financial year ended 31 March 2015, the Reports of the Auditors' and Board of Directors' thereon.
2. To appoint a Director in place of **Mr Arun Bharat Ram** (DIN 00694766), 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 ratify appointment of auditors of the Company as approved by the members at the Forty Third Annual General Meeting:

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, recommendations of the Audit Committee and the resolution passed by the members at the forty third annual general meeting held on 4 August 2014, the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, New Delhi (Registration No. 015125N) as Auditors of the Company be and is hereby ratified."

Special Business

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

Appointment of **Dr Meenakshi Gopinath** (DIN – 00295656), as a Director, liable to retire by rotation:

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of

Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Dr Meenakshi Gopinath (DIN 00295656), who was appointed as an additional Director of the Company with effect from 28 October 2014 be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

Appointment and Remuneration of Dr Meenakshi Gopinath (DIN – 00295656) as Director (CSR)

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) ("the Act") and rules made thereunder and subject to such approvals as may be required, the approval of the shareholders be and is hereby accorded for appointment of Dr Meenakshi Gopinath as a Director liable to retire by rotation and as Chairman of the CSR Committee constituted by the Board on the following terms and conditions :-

Functions

Dr Meenakshi Gopinath shall be designated as Director (CSR). She shall be responsible for planning, guiding and ensuring implementation of CSR projects of the Company in accordance with the CSR Policy approved by the Board and such other responsibilities as may be entrusted to her by the Chairman and/or the Board, from time to time.

Fee

She will be entitled to consolidated fees of ₹ 1 lakh per month (subject to deduction of applicable taxes) plus service tax. She will also be entitled to a Company maintained car.

Sitting Fees

Dr Meenakshi Gopinath would be entitled to sitting fees for attending the Board meetings and/or meetings of other Committees on which she is nominated except the Corporate Social Responsibility Committee.

Termination

The services of Dr Meenakshi Gopinath as Director (CSR) may be terminated by either party giving to the other three calendar months notice in writing.

“RESOLVED FURTHER THAT subject to the overall limit of remuneration payable to all the Directors (other than Executive Directors) taken together, the aforesaid remuneration payable to Dr Meenakshi Gopinath shall be within an overall ceiling of 1% of the net profits of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee/Board be and is hereby authorized to increase or vary the remuneration of Dr Meenakshi Gopinath from time to time, subject to and in accordance with the provisions of the Companies Act, 2013.”

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

Re-appointment of **Mr Ashish Bharat Ram** (DIN – 00671567) as Managing Director:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for reappointment of Mr Ashish Bharat Ram as Managing Director on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:-

Tenure

Five years with effect from 23 May 2015.

Functions

Subject to the direction, control and superintendence of the Board of Directors, Mr Ashish Bharat Ram shall have the overall responsibility for looking after the day to day management of the Company.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr Ashish Bharat Ram shall comprise salary, perquisites and commission, as may be decided by the Board/Nomination and Remuneration Committee

in accordance with the Nomination, Appointment and Remuneration Policy within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013.

Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr Ashish Bharat Ram shall be decided by the Nomination and Remuneration Committee subject to the provisions of Companies Act, 2013 and such approvals, if any, as may be required.

Termination

The appointment of Mr Ashish Bharat Ram as Managing Director may be terminated by either party giving to the other three calendar months notice in writing.

In the event of termination of this appointment of Mr Ashish Bharat Ram by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013 or any statutory amendment or re-enactment thereof.”

“RESOLVED FURTHER THAT in the event of any further revision in the levels of permissible managerial remuneration, the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to alter, vary and increase the remuneration of Mr Ashish Bharat Ram, notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent of or reference to the general meeting.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to recommend/ decide from time to time the salary, perquisites and commission payable to Mr Ashish Bharat Ram during his tenure with effect from 23 May 2015 within the approved ceiling of remuneration in accordance with the Nomination and Remuneration Policy, as amended from time to time.”

“RESOLVED FURTHER THAT the powers and authorities delegated by the Board to Mr Ashish Bharat Ram from time to time including powers to sub-delegate shall remain valid upon his re-appointment.”

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

Re-appointment of **Mr Ravichandra Kambhampaty** (DIN – 00641900) as Director (Safety & Environment)

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for re-appointment of Mr Ravichandra Kambhampaty as Director (Safety & Environment) liable to retire by rotation, on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:-

Tenure

Three years with effect from 1 October 2015

Functions

Mr Ravichandra Kambhampaty 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, Deputy Managing Director and/or the Board, from time to time.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr Ravichandra Kambhampaty shall comprise salary, perquisites and commission, as may be decided by the Board/Nomination and Remuneration Committee in accordance with the Nomination, Appointment and Remuneration Policy within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 198 of the Companies Act, 2013.

Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr Ravichandra Kambhampaty shall be decided by the Nomination and Remuneration Committee subject to the provisions of the Companies Act, 2013 and such approval, if any, as may be required.

Termination

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

RESOLVED FURTHER that in the event of any further authorisation/ revision in the levels of permissible managerial remuneration, the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to alter, vary and increase the remuneration of Mr Ravichandra Kambhampaty, notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent of or reference to the general meeting.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to recommend/decide from time to time the salary and perquisites payable to Mr Ravichandra Kambhampaty during his tenure with effect from 1 October 2015 within the approved ceiling of remuneration in accordance with the Nomination and Remuneration Policy.”

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 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 2016 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co. (Membership No. 17321)	Technical Textile Business and Engineering Plastic Business	₹ 3.41 lakhs plus service tax and reimbursement of actual out of pocket expenses
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

9. 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