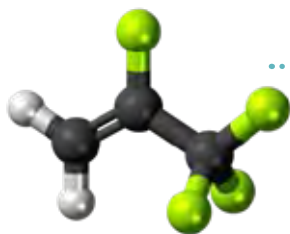




annual report

2015-16

HIGHLIGHTS 2015-16



SRF Board approved an investment proposal for setting up of a pilot plant to manufacture next generation refrigerant gas, HFO 1234yf, making the company the **first technology developer outside US and EUROPE** to do so

SRF filed **27 process patents** during 2015-16, taking the total number of patents filed to 81 till date



Fluorochemicals Business made a **foray in the South East Asia** market for HFC 134a



Engineering Plastics Business **introduced PET Compounded Resins** as a new range in its product portfolio under the brand name ENGOPET



SRF for the first time bagged a prestigious order from the Board of Control for Cricket in India (BCCI) to **supply coated fabrics as ground covers for 7 cricket stadia in India** (Earlier, SRF only supplied pitch covers to BCCI)

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MESSAGE FROM THE CHAIRMAN

“ A multi business entity like ours has the ability to withstand business specific downturns and can develop individual strategies for each segment. ”

Dear shareholders,

I am delighted to present before you the overall performance and the strategic directions of your company. As you all know, 2015-16 was an excellent year for your company. A growth of 40% in consolidated PAT in such a weak global economic scenario only reaffirms our belief in our strategy and execution capabilities.

As an organisation, we stuck to the basics of driving a high performance culture through people involvement. On our part, as always we tried to foster an environment where everyone felt highly motivated and empowered to deliver outstanding results. I take this opportunity of expressing my gratitude to all my colleagues in SRF who worked tirelessly to generate high value for all our stakeholders.

A multi business entity like ours has the ability to withstand business specific downturns and can develop individual strategies for each segment. This time, the turnaround of our global operations especially the plants under the packaging films business contributed significantly to the overall performance. In our Chemical Business, the transition of the *Dymel* acquisition went ahead smoothly. Using our distribution strength in the domestic market, we launched new products as well. As a countermeasure to the slowdown in the agrochemical segment, we diligently worked and succeeded in enhancing our presence in the pharma segment for our specialty chemicals business.

Our plants for packaging films ran at full capacity utilisation despite over supply in the market. The nylon tyre cord fabrics (NTCF) business continued to retain market leadership in the domestic market even as the demand remained subdued. The performance of NTCF assumed a special significance as one of the major plants at Manali remained inoperative for almost three months due to floods in Chennai during December 2015.

What is more reassuring about your company's sustainable growth prospect is that its balance sheet looks healthy and financial ratios indicate steady business performance. In sync with our strategy to transform SRF into a technology & innovation oriented company, we made investments of around ₹ 3200 crores across all business segments in the last five years and more than 50% of these investments were made in the chemicals business alone. Our future plans also reiterate our commitment to continue to grow in the space of chemicals. We have a plan to spend around ₹ 3500 crores in the next four years and around 70% of the investments are earmarked for the chemicals business.

Our unrelenting focus on enhancing our competencies and capabilities in the space of chemicals has manifested in many ways. Recently, your company announced its plan to set up a pilot plant to manufacture the next generation refrigerant, HFO

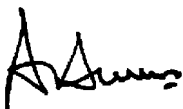
1234yf with indigenous technology, a move that will make SRF the first technology developer outside US and Europe to do so. Your company has also introduced several new processes and technologies which are new to the world, thereby becoming a critical supplier of intermediates for the innovators in the field of pharma and agro chemicals. And, our R&D efforts has helped your company file more than 80 process patents so far. The list goes on.

It's indeed a matter of pride that SRF is today recognised as a world class chemical company driven by its cutting edge R&D capabilities. That being said, we will also continue to explore opportunities for growth and expansion in the packaging films business, which despite being a cyclical business, makes a significant contribution to the top line and the bottom line besides de-risking our businesses. What gives your company an edge over other players in the space of packaging films is its persistent focus on maximising value-added products along with a relentless focus on cost efficiencies, which makes SRF a preferred supplier for customers in the organised segment. While NTCF will remain a significant product in SRF for the next few years, we will continue to enlarge the portfolio of other product segments such as coated fabrics and laminated fabrics under the technical textiles business.

I am sure our colleagues in SRF will not leave any stone unturned to make SRF a world class organisation. But I am also aware that such goals in isolation mean nothing unless we create value for the society and ensure our reputation of impeccable governance. Building on our founders' legacy of social consciousness, we, through SRF Foundation, implemented several programmes to enrich the lives of thousands of poor students under our educational and skill development initiatives and improved the livelihood of more than 6000 families under our Natural Resource Management programmes. We are duty bound to contribute to the community at large.

Let me assure you that we will continue to build, protect and strengthen a value system in your company that you will remain proud of and which will deliver results that meet your expectations.

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



Dr Meenakshi Gopinath
Director – CSR



K Ravichandra
Director
(Safety & Environment)



Vellayan Subbiah



Vinayak Chatterjee



L Lakshman



Tejpreet S Chopra



Pramod Bhasin

Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants

CFO & Company Secretary

Anoop K Joshi

Bankers

- ICICI Bank • State Bank of India • Standard Chartered Bank
- Citibank NA • Yes Bank • HDFC Bank • The Royal Bank of Scotland • Kotak Mahindra Bank • HSBC • Bank of Tokyo Mitsubishi UFJ Ltd. • The Bank of Nova Scotia Asia Ltd.

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



Chemicals and Polymers Business: plants

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 Panthnagar
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: plants

Manali Industrial Area, Manali, Chennai - 600068, **Tamil Nadu**

Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi
Distt. Thiruvallur - 601201, **Tamil Nadu**

Viralimalai, Distt. Pudukottai - 621316, **Tamil Nadu**

Industrial Area, Malanpur, Distt. Bhind - 477116
Madhya Pradesh

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
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, (+91-124) 4354400

Fax: (+91-11) 26510428, (+91-124) 4354500

NOTICE

Notice is hereby given that the 45th Annual General Meeting of SRF Limited will be held on Monday, the August 8, 2016 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 March 31, 2016 along with the Reports of the Auditors' and Board of Directors' thereon.
2. To appoint a Director in place of **Dr Meenakshi Gopinath** (DIN 00295656), who retires by rotation and being eligible, offers herself for re-election.

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

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 August 4, 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 from the conclusion of this meeting till the conclusion of 46th Annual General Meeting."

Special Business

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

Resolution:

Re-appointment of **Mr Kartik Bharat Ram** (DIN-00008557) as Deputy 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 be and is hereby accorded for the reappointment of Mr Kartik Bharat Ram as Deputy Managing Director of the company on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:-

Tenure

Five years with effect from June 1, 2016.

Functions

Mr Kartik Bharat Ram shall be responsible for Human Resources, Information Technology, Total Quality Management, Corporate Communication functions and other responsibilities as may be entrusted to him by the Chairman 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 Kartik 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 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 Kartik Bharat Ram shall be as decided by the Board/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 Kartik Bharat Ram as Deputy 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 Kartik 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 Kartik 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/Board be and is hereby authorised to recommend/decide from time to time the salary, perquisites and commission payable to Mr Kartik Bharat Ram during his tenure with effect from June 1, 2016 within the approved ceiling of remuneration, in accordance with the Nomination and Remuneration Policy."

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

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

Ratification of Remuneration of Cost Auditors for financial year 2016-17

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, 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 March 31, 2017 as provided below, be and is hereby approved and ratified:

Name of Cost Auditor	Business	Remuneration payable
H Tara & Co. (Membership No. 17321)	Technical Textiles Business and Engineering Plastic Business	₹ 3.60 lakhs plus service tax and reimbursement of actual out of pocket expenses
Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Film Business	₹ 5.00 lakhs plus service tax and reimbursement of actual out of pocket expenses

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

Commission to Non-Executive Directors

"RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such permissions as may be necessary, approval be and is hereby accorded to the payment of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013, to some or any of the Directors of the Company other than the executive directors if any, in such manner and in all respects as the Nomination and Remuneration Committee and/or the Board of Directors may determine and that such payment be made in respect of profits of the Company for the whole or proportionately for a part of each of its financial years commencing from April 1, 2016."

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

Offer or invitation to subscribe to Redeemable Non-Convertible Debentures of the Company on private placement

"RESOLVED THAT pursuant to the provisions of Sections 42 and any other applicable provisions, if any, 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 (which term shall be deemed to include any Committee of the Board duly authorized by it in this regard for all matters other than the one relating to the issue of the debentures) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures (including commercial papers), in or more series/tranches, aggregating upto ₹ 2000 crores (Rupees two thousand 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, the consideration for the issue, the utilisation of the issue proceeds and all other 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 including the power to sub-delegate all powers other than the one relating to the issue of debentures, as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

For **SRF LIMITED**

Sd/-

(**Anoop K Joshi**)

President, CFO & Company

Secretary

Gurgaon, May 10, 2016

NOTES

1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the Meeting 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 LATER THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Proxy holders shall carry a valid identify proof at the time of attending the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

Corporate/Institutional members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 1, 2016 to Monday, August 8, 2016 (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, if any, under their signatures to **Karvy Computershare Private Limited**, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial Dist., Gachibowli, Nanakramguda, Seri Lingampally, Hyderabad - 500 008, Telangana, the Registrar & Share Transfer Agent (RTA), quoting folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.

In terms of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) 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 transferor(s) and transferee(s) are requested to furnish copies of their Permanent Account Number (PAN) Cards, along with other requisite documents as required by the said regulation.

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. The Company has transferred the unpaid or unclaimed dividend declared up to the financial year ended March 31, 2009, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 6, 2015 (date of last Annual General Meeting) on the website of the Company (<http://www.srf.com/investor-relations/investors.html>), as also on the website of the Ministry of Corporate Affairs.
7. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for dividends declared after April 1, 2009 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. **Voting through electronic means:** Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations the Company is pleased to provide remote e-voting facility to the members to exercise their right to vote by electronic means.
 - i) The Company has fixed Friday, July 29, 2016, as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the 45th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013