

2018-19
ANNUAL REPORT



DIVERSIFIED BUSINESS
UNIFIED GROWTH



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Message from the Chairman



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you SRF's annual report 2018-19. It reflects an eventful year in which our employees once again showed great commitment in taking your Company to greater heights.

Diversified Business; Unified Growth

Your Company performed well in FY19, which is largely due to our diversified business model, with all the core business segments delivering an encouraging operating and financial performance in a fast-evolving and volatile global and domestic environment. Viewed from a financial lens, your Company achieved a 39% increase in profit after tax at ₹ 642 Crores compared to ₹ 462 Crores last year. Your Company's revenue for the year stood at ₹ 7,693 Crores as against ₹ 5,589 Crores in the previous year, recording a growth of 38%, which is very commendable. This has been possible due to the management's focus in the last few years to strengthen the Company's foothold through the strategic levers of operational efficiency, adoption of superior technology, the addition of appropriate value-added products to its portfolio and deeper market penetration.

In the year gone by, we realigned our businesses into four segments to enable a clear understanding of our core businesses. Consequently, the Coated and Laminated Fabrics

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Business and the Engineering Plastics Business were regrouped as Other Businesses and the erstwhile Chemicals and Polymers Business was renamed as Chemicals Business, which comprises Fluorochemicals and Specialty Chemicals Businesses.

Strong Fundamentals

In terms of business segments, the Chemicals Business delivered a healthy performance during the year. In the **Fluorochemicals Business**, our prudent investments in innovation and technology has made us one of the very few, fully backward integrated producers of Refrigerant Gases in the world, offering the widest portfolio of gases and value-added products to our customers. We continue to maintain a dominant position with the largest market share of refrigerants in the Indian market, while at the same time further increasing the penetration of our FLORON® brand of refrigerants in the overseas markets. The Chloromethanes plant at Dahej, which we commissioned in December 2017, is functioning at optimal level, leading to higher sales for the segment. During the year, we also launched a new product in the Indian market under the name, SUPERTRON AC Air Pure. This is a multipurpose product, which keeps the AC system clean and can be used in both car and room ACs. We have also started the commercial supplies of Dymel® F 134a/P, our propellant for asthma inhalers to domestic pharma customers from our cGMP USFDA facility at Dahej. Our site in Dahej has been awarded an EXCiPACT™ GMP for Pharmaceutical Excipient (2017) Certificate from SGS, one of EXCiPACT's internationally recognized certification bodies.

At SRF, we have a responsibility in creating a sustainable business environment and we continue our journey in finding new ways to adopt good sustainability practices. We are heartened to be recognized for this, with our Bhiwadi and Dahej sites having once again been granted the permission to use the Responsible Care Logo for a period of three years by the Indian Chemical Council (ICC). This underscores our commitment to excellent environmental, health, safety measures that we have in place at our facilities.

About the **Specialty Chemicals Business**, while the first six months in FY19 were tough, we are now witnessing a revival in the agro-chemicals space, with new product opportunities emerging in both the agro and pharma segments. Along with the revival in the industry, our committed investments in this business are already in place. These include a cGMP plant, a P32 plant, which is our first-ever, most complex Active Ingredients (AI) plant and a P34 plant, which was commissioned in record time, to seize any opportunities that the future may present.

Backed by our strong, differentiated technology play and our endeavor to introduce new products for the innovators of the world, we remain committed to enhancing our product offerings further within our business model. Consequently, we have filed one-hundred and seventy patents to date, of which thirty-three have been granted. I am also happy to share that our customers have appreciated these initiatives and we were honored with the 'Syngenta Supplier Award for Innovation' at the Syngenta Suppliers Meet, underlining our inherent strengths and capabilities.

In the **Packaging Films Business**, we continue being an 'Easy to do business with' partner by delivering excellence in manufacturing, efficiency in supply, and success in customer engagement. Our ongoing investment in our people and manufacturing sites in Thailand and Hungary will ensure we continue to deliver excellence to satisfy the packaging requirements of every customer. Sustainability and innovation are fundamental to our approach in new product development and this year we introduced multiple new products, which have increased our portfolio of value-added products and helped us deliver industry-leading margins. Across all of our operations, we are committed to maintaining a safe work environment and continue to garner accolades for our focus on superior operational performance. Our Indore SEZ facility was bestowed the Sword of Honour and 5-star rating for Occupational Health and Safety from the British Safety Council, which is a first-of-its-kind recognition in the Indian Packaging industry.

The **Technical Textiles Business** delivered a steady performance during the year despite a challenging operating environment. Our focus on increasing operational efficiency continues to be an ongoing process. With our investments in capacity augmentation across Tyre Cord Fabric and Belting Fabrics segments, we remain optimistic about the future performance of the Technical Textiles Business.

In May this year, we also signed a definite agreement to sell our Engineering Plastics Business. We view this as a strategic step towards focusing on our core businesses where we see larger growth opportunities emerging in the future.

Community Engagement

Concerning our community engagement, SRF Foundation and our employees continue to drive initiatives primarily in the areas of education, youth empowerment and natural resource management. SRF Foundation's flagship 'Rural Education Program' is marching on successfully. It now covers 269 schools with 78,714 students across 21 locations in nine Indian States. We have a responsibility that we accept and we are making progress in that direction with utmost sincerity.

Our Purpose and Shared Values

It gives me immense pleasure to share with you that this year your Company was conferred 'The Economic Times Family Business of the Year – Large Companies' Award. The esteemed jury selected SRF on the principles of strong performance and the presence of a stringent family governance framework. We are very proud to have established good governance as the baseline, grow high-potential executives and bring the right discipline to succession and integration processes. These principles unite us by a common sense of purpose and shared values.

The Board of Directors Welcomes New Members

SRF's Board of Directors appointed three new board members at its recent meeting. As the Chairman of the Board, I welcome Bharti Gupta Ramola, Puneet Yadu Dalmia, and Yash Gupta onto your Board. I am sure that their experience and knowledge will help take your Company to the next level.

Before I conclude, I would like to thank all employees of SRF, the management team and my colleagues on the Board for their hard work and strong commitment. I would also like to thank our customers and business partners for their loyalty and close ties. And, finally, I would like to thank you, our shareholders and investors, for placing your trust in SRF and for supporting us as we execute the next steps in our strategy, and focus resolutely on ensuring that SRF continues to stride ahead.

Sincerely,



Arun Bharat Ram
Chairman

Company Information

Board of Directors



Arun Bharat Ram
Chairman



Ashish Bharat Ram
Managing Director



Kartik Bharat Ram
Dy. Managing Director



Pramod G. Gujarathi
Director (Safety & Environment)



Dr. Meenakshi Gopinath
Director – CSR



Lakshman
Lakshminarayan



Vinayak Chatterjee
(up to 31.03.2019)



Vellayan Subbiah



Tejpreet S Chopra



Bharti Gupta Ramola
(w.e.f. 04.02.2019)



Yash Gupta
(w.e.f. 01.04.2019)



Puneet Yadu Dalmia
(w.e.f. 01.04.2019)

Auditors

M/s B S R & Co. LLP,
Chartered Accountants

President & CFO

Rahul Jain

Company Secretary

Rajat Lakhanpal

Bankers

- ICICI Bank
- State Bank of India
- Standard Chartered Bank
- Citibank NA
- DBS Bank India Limited
- HDFC Bank
- Kotak Mahindra Bank
- HSBC
- Axis Bank
- Yes Bank
- MUFG Bank Limited
- Sumitomo Mitsui Banking Corporation
- Mizuho Bank Limited
- IDFC Bank

Registered Office

(CIN: L18101DL1970PLC005197)
Unit Nos. 236 & 237, 2nd Floor,
DLF Galleria, Mayur Place, Noida
Link Road, Mayur Vihar Phase I
Extension Delhi, India - 110 091
Tel: +91-11- 49482870
Email: info@srf.com
Website: www.srf.com

Corporate Office

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



Chemicals Business : Plants

- Village & P.O. Jhiwana, Tehsil Tijara, Distt. Alwar - 301 018, Rajasthan
- D II/I GIDC, PCPIR, Phase II, Tal. Vagra, Village Dahej, Distt. Bharuch - 392 130, Gujarat



Technical Textiles Business : Plants

- Manali Industrial Area, Manali, Chennai - 600 068, Tamil Nadu
- Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Viralimalai, Distt. Pudukottai - 621 316, Tamil Nadu
- Industrial Area, Malanpur, Distt. Bhind - 477 116, Madhya Pradesh



Packaging Films Business : Plants

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand
- Plot Nos. C 1-8, C 21-30, Sector 3, Indore Special Economic Zone, Pithampur, Distt. Dhar - 454 775, Indore - Madhya Pradesh
- Plot No. 675, Industrial Area, Sector 3, Village Bagdoon, Pithampur, Distt. Dhar - 454 775, Indore - Madhya Pradesh



Other Businesses : Plants

- Engineering Plastics Business, Manali Industrial Area, Manali, Chennai - 600 068, Tamil Nadu
- Engineering Plastics Business, Plot No. 14 C, Sector 9, IIE Pantnagar, Distt. Udham Singh Nagar - 263 153, Uttarakhand
- Coated Fabrics Business, Plot No. 1, SIPCOT Industrial Area Complex, Gummidipoondi, Distt. Thiruvallur - 601 201, Tamil Nadu
- Laminated Fabrics Business, Unit No. 2, Plot 12, Rampura Road, Kashipur, Distt. Udham Singh Nagar - 244 713, Uttarakhand

SRF Limited

(CIN: L18101DL1970PLC005197)

Regd. Office: The Galleria, DLF Mayur Vihar, Unit No. 236 & 237, 2nd Floor, Mayur Place,
Mayur Vihar Phase I Extension, Delhi – 110091

Tel. No: (+91-11) 49482870, (+91-124) 4354400, Fax: (+91-11) 49482900, (+91-124) 4354500

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

NOTICE

Notice is hereby given that the **48th Annual General Meeting** of SRF Limited will be held on **Monday, August 5, 2019** 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, 2019 along with the Reports of the Auditors' and Board of Directors' thereon.
2. To appoint a Director in place of Arun Bharat Ram (DIN 00694766), who retires by rotation and being eligible, offers himself for re-election.

Special Business

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

Appointment of Bharti Gupta Ramola (DIN: 00356188) as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Bharti Gupta Ramola (DIN: 00356188) who was appointed as an

Additional Independent Director of the Company by the Board of Directors effective from February 04, 2019 in terms of Section 161(1) of the Act and who has submitted a declaration that she meets with the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Regulations and whose term of office expires at this Annual General Meeting, and in respect of whom a notice under section 160 of the Act has been received from a member of the company, be and is hereby appointed as an Independent Director of the Company for a term up to February 3, 2024".

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

Appointment of Puneet Yadu Dalmia (DIN: 00022633) as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Puneet Yadu Dalmia (DIN: 00022633) who was appointed as an Additional Independent Director of the Company by the Board of Directors effective from April 1, 2019 in terms of Section 161(1) of the Act and who has submitted a declaration that he meets with the criteria for independence as provided

in Section 149(6) of the Companies Act, 2013 and Listing Regulations and whose term of office expires at this Annual General Meeting, and in respect of whom a notice under section 160 of the Act has been received from a member of the company, be and is hereby appointed as an Independent Director of the Company for a term upto March 31, 2024."

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

Appointment of Yash Gupta (DIN: 00299621) as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force), applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Nomination, Appointment and Remuneration Policy of the Company, Yash Gupta (DIN: 00299621) who was appointed as an Additional Independent Director of the Company by the Board of Directors effective from April 01, 2019 in terms of Section 161(1) of the Act and who has submitted a declaration that he meets with the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Regulations and whose term of office expires at this Annual General Meeting, and in respect of whom a notice under section 160 of the Act has been received from a member of the company, be and is hereby appointed as an Independent Director of the Company for a term upto March 31, 2024."

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

Amendment in the terms of appointment of Ashish Bharat Ram, Managing Director

"RESOLVED THAT approval, under the provisions of Section 196 read with Schedule V

and other applicable provisions of the Companies Act, 2013, of the members be and is hereby accorded for modification in the terms for appointment of Ashish Bharat Ram, Managing Director passed through an ordinary resolution at the annual general meeting held on 06.08.2015, to the effect that his office shall be liable to retirement by rotation as per the provisions of Article of Association of the Company and applicable provisions of the Companies Act, 2013 provided that the other terms and conditions of his appointment shall remain the same."

"RESOLVED FURTHER THAT the Board of Directors of the Company including any duly constituted Committee thereof 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."

7. 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 2019-20

"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, 2020 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 Other Businesses	₹ 3.78 lakhs plus applicable taxes and reimbursement of actual out of pocket expenses
Sanjay Gupta & Associates (Membership No. 18672)	Chemicals Business and Packaging Films Business	₹ 5.25 lakhs plus applicable taxes of actual out of pocket expenses

8. 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, 71, 179 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 (which term shall be deemed to include any Committee of the Board duly authorized by it in this regard in accordance with the applicable provisions of the said Act) be and is hereby authorised to issue, offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, aggregating upto ₹ 500 crores (Rupees five hundred crores), on private placement basis, and 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 the timing of issue of such Debentures, 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 the powers as may be necessary, proper or expedient to give effect to this resolution."

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

Adoption of new Articles of Association

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), new set of Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the existing Articles of Association of 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."

By Order of the Board of Directors

Rajat Lakhnarpal
VP (Corporate Compliance)
& Company Secretary
Membership No. A12725

Date : June 25, 2019
Place : Gurugram