

**ACCELERATING  
GROWTH.  
SCALING NEW  
HEIGHTS.**

**ANNUAL REPORT  
2020-21**

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# SRF AT A GLANCE

## WHO WE ARE

We are a R&D-driven diversified chemicals conglomerate. Our purpose - "We always find a better way" - is encapsulated not only in the products that we manufacture and the superior processes that we adopt, but also amply demonstrated in our penchant for employee engagement, transparent governance and inclusive growth.

## WHAT WE DO

Our wide range of products and solutions are sold worldwide. These are used in varied applications and segments: from tyres to air conditioners, from mines to cricket grounds, from automotive to household appliances, from food packaging to raw materials for agrochemicals and pharmaceuticals.

With our diverse portfolio, we strive to provide the highest quality, sustainable industrial and specialty intermediates that contribute to a better way of life.

## HOW WE DO IT

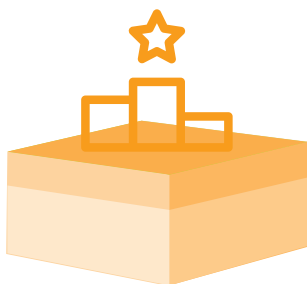
At SRF, we continuously strive to work towards and be known for our Aspirations – 2025, which are:

- Professional Reputation and Value System
- Customer Advocacy
- Innovation and Technology Leadership
- Operational Excellence

## WHY WE DO IT

Through our innovation-led products & offerings, we help provide solutions to some of the world's most pressing and complex needs.

# SRF LIMITED - A DIVERSIFIED CHEMICALS CONGLOMERATE



## RANKING

- Largest manufacturer of Difluoro & Trifluoro Alkyl Intermediates (globally)
- 2<sup>nd</sup> Largest manufacturer of Nylon 6 tyre cord fabrics (globally)
- 3<sup>rd</sup> Largest manufacturer of Conveyor belting fabrics (globally)
- Pioneer in F 134a and F 32 refrigerants (India)



## OTHERS

- One of the few manufacturers of Pharma grade HFA 134a/P in the world, which is used in Metered Dose Inhalers as a propellant
- Only Company in India manufacturing Polyester tyre cord fabric



## AWARDS/RECOGNITION IN FY21

- Managing Director, Ashish Bharat Ram named India's Best CEO in the emerging companies category by Business Today
- SRF's Specialty Chemicals Business awarded the Syngenta Supplier Award 2020 for performance
- SRF's Packaging Films Business South Africa plant awarded the 5 Star Rating for Occupational Health and Safety from the British Safety Council

# CSR HIGHLIGHTS



SRF Foundation runs one of the largest community programs in India in the Education space

**276**  
SCHOOLS

**21**  
LOCATIONS

**9**  
INDIAN STATES

IMPARTING QUALITY  
EDUCATION TO MORE THAN

**81,310+**  
STUDENTS

# MARKET LEADERSHIP

## SPECIALTY CHEMICALS BUSINESS

## FLUOROchemicals BUSINESS

## PACKAGING FILMS BUSINESS

## TECHNICAL TEXTILES BUSINESS

## FY21 AT A GLANCE

## SPECIALTY CHEMICALS BUSINESS

- Established relationship with marquee customers
- Capability in scaling up pilot processes and creating value through operational excellence
- High levels of customer engagement backed by strong R&D, technical service, product and quality management under one roof
- Handling complex reactions - halogenation, ethylation, hydrogenation, nitration, diazotization, grignard, isomerization, amination, organocatalysis, and decarboxylation



- Unique and fully integrated facilities extending across a wide range of refrigerants, pharma propellants and industrial chemicals
- Domestic leadership in HFC's with strong trade distribution network; significant market share of Fluorochemicals in India with global scale operations
- Among the top five global manufacturers of key Fluorochemicals products

## FLUOROchemicals BUSINESS

# PACKAGING FILMS BUSINESS

- Recognized for expertise in developing, manufacturing, and marketing innovative and specialty packaging films
- Flexible business model, strong and loyal customer relationships with tailored solutions; NPD Lab to ensure future readiness
- Highly-efficient asset base offering value-added products near customer locations



- Domestic market leader in Tyre cord manufacturing and Belting fabrics
- 40% share in India's Nylon tyre cord market

# TECHNICAL TEXTILES BUSINESS



## EXPANDING OUR FOOTPRINT

### FORAY INTO EUROPE:

SRF's Bi-axially Oriented Polyethylene Terephthalate (BOPET) film manufacturing facility is located at Jaszfenyszaru, Hungary. This state-of-the-art facility houses an ultra-modern 10.4m wide BOPET film line capable of producing 40,000 MT/annum.

### EXPANDING IN RAYONG, THAILAND:

SRF Industries (Thailand) Ltd., a wholly-owned subsidiary of the Company set up the 2<sup>nd</sup> BOPET film line and a Resin plant at its existing facility in Rayong, Thailand in FY21.

# CHAIRMAN'S MESSAGE



**ARUN BHARAT RAM**  
CHAIRMAN, SRF LIMITED

## Dear Shareholders,

As I reflect on an exceptionally difficult year, one thing is clear – we have all been impacted by COVID-19. The cruelty of this pandemic has been unparalleled and my heart goes out to all those who are grieving the passing of loved ones, to those who have lost their jobs, and to business owners who have been forced to shut down. While it has been a tough year for many and there are still immediate and pressing matters such as economic relief and equitable and widespread vaccination rollout to address, I am hopeful that better days are ahead.

Through all the challenges, I have deeply admired the resilience of my 7,000 extraordinary colleagues at SRF, who demonstrated dedication and professionalism, and kept the business moving forward. I am also grateful to our customers and to you, our shareholders, for your unwavering trust in the Company.

## THE YEAR IN REVIEW

### Accelerating Growth. Scaling New Heights.

FY21 gave us an opportunity to prove our steadfastness in critical times to all our stakeholders: customers, employees, business partners, and the community.

From a financial point of view, in FY 2020-21, your Company achieved a 31% increase in profit after tax at ₹ 1,198 crore compared to ₹ 916 crore last year. Your Company's revenue for the year stood at ₹ 8,400 crore as against ₹ 7,209 crore in the previous year, recording an overall growth of 17%. We grew market share across our businesses and continued to make significant investments in building our capabilities, nurturing talent, expanding our technology prowess, all the while maintaining credit discipline and a healthy balance sheet.

Coming to our specific Businesses now, I would like to talk about some of the milestones achieved by each of our business segments in FY 2020-21.

### Chemicals Business

In FY 2020-21, the **Chemicals Business** accomplished strong growth of 23% Year-over-Year (Y-o-Y) to achieve record revenues of ₹ 3,645 crore.

In the **Specialty Chemicals Business**, our ongoing efforts to commercialize molecules for both the agrochemicals and pharmaceuticals segments are well on track and we continue to maintain a healthy product pipeline for the future. SRF's Specialty Chemicals Business is a 'Preferred Partner' with most of its global customers and I am happy to share that we have been honored with the 'Syngenta Supplier Award 2020 for Performance' during the year.

As we grow our revenues, we will continue to invest in this segment to sustain healthy growth rates over the next few years. In this regard, I am also pleased to share that your Company will be setting up a 4<sup>th</sup> Multi-Purpose Plant (MPP) at Dahej, Gujarat. As the Business is growing, it is essential to augment

facilities to capitalize on emerging business opportunities. With an expanding product portfolio, a new MPP facility will further support your Company's endeavors to tap emerging business opportunities and ensure a robust pipeline of new, cutting-edge products in the future. Similar investments alongside improved efficiencies, and optimum utilization of capacities, should enable us to deliver operational excellence and result in even better performance, going forward.

In the **Fluorochemicals Business**, our prudent investments in capacities, R&D, innovation, and technology has established us as one of the very few, fully backward-integrated producers globally. To build on this foundation and take it to a new level, the team delivered another first during the year and commissioned a state-of-the-art refrigerant application lab at our chemical manufacturing facility in Bhiwadi, Rajasthan. These are significant steps in what has been an ongoing journey of growing our R&D competence and we are already seeing important new benefits.

During the year, your Company also made an important announcement to set up an additional facility to produce 95,000 MT per annum of Chloromethanes at Dahej, Gujarat. This will take our total capacity to above 190,000 MT, making SRF a global player in Chloromethanes.

Our expansion plans are a big part of our overall vision of becoming a strong force in the global chemical industry and playing a much larger role in our customers' success.

### Packaging Films Business

In FY 2020-21, our **Packaging Films Business** witnessed robust growth of 26% Y-o-Y to achieve record revenues of ₹ 3,292 crore. Scale, operating leverage, better margins, and strong demand from marquee customers across the globe helped establish SRF as a renowned player in the global packaging industry.

“THROUGH ALL THE CHALLENGES, I HAVE DEEPLY ADMIRERED THE RESILIENCE OF MY 7,000 EXTRAORDINARY COLLEAGUES AT SRF, WHO DEMONSTRATED DEDICATION AND PROFESSIONALISM, AND KEPT THE BUSINESS MOVING FORWARD. I AM ALSO GRATEFUL TO OUR CUSTOMERS AND TO YOU, OUR SHAREHOLDERS, FOR YOUR UNWAVERING TRUST IN THE COMPANY.”

”

With a new BOPET film line in Rayong, Thailand and the startup of our operations in Hungary, SRF's plants now have a combined annual capacity of 270,000 tons of BOPET and BOPP films, making us one of the biggest producers of both types of films.

As I write this note, we are nearing the commissioning of SRF's first BOPP film plant at Rayong, Thailand. Back home in India, civil work for SRF's new BOPP line & Metallizer at Indore is also progressing as per schedule.

With the support of our esteemed customers, we are confident of a vertical start-up of all our new lines that we hope to ramp up to maximum capacities in the months to come.



## Technical Textiles Business

**Technical Textiles Business** had an encouraging performance in FY21, aided by a quick recovery in the tyre industry. Customers continue to favour domestic supplies owing to supply volatility, which has resulted in imports substitution.

In Belting Fabrics, our focus has been on customization of fabric required by our customers from time-to-time. With our investment in modernization, capacity expansion and technological upgradation, we are aiming to build our Belting Fabrics facility in Viralimalai, India as one of the largest single-location belting fabrics sites in the world.

## Other Businesses

In our **Other Businesses**, SRF continues to maintain market leadership in the **Coated Fabrics Business**, with a high-volume share driven by improved sourcing initiatives and plant efficiency. Despite the COVID-19

induced lockdown, the **Laminated Fabrics Business** also performed well. SRF's semi-hot product has been well-received, and we are seeing an increase in volumes. On the other hand, due to severe oversupply conditions, margin pressure is expected to continue in this segment.

## Unlocking full potential

During the year, your Company raised ₹ 750 crore from institutional investors by way of Qualified Institutional Placement. I am happy to share that your Company received an astounding response from marquee global and domestic investors, which is a testament of the robust systems and processes that we have in place. This is SRF's future growth capital and going forward, will enable suitable organic growth over the next twelve-to-eighteen months.

## What our people mean to us

Our strong FY21 performance was possible because of the passion and tireless effort of our employees.

It was our highest priority to ensure the health of our employees, while also securing operations, supply chains, deliveries, and service to our customers. We committed to our employees that we would not eliminate any roles because of the COVID-19 pandemic. We also implemented efforts to support employees, including free, on-demand physical, mental and emotional healthcare programs.

As we move forward, we will make every possible effort to build, develop and retain a diverse talent pipeline while fostering a culture where everyone feels seen, heard, and empowered to thrive.

## Our Community Outreach

Embedded in SRF's DNA is a responsibility to help people not be left behind. During the year, your Company remained committed to support COVID-19 relief work following the second wave in India and several more initiatives.

SRF Foundation, the corporate social responsibility arm of SRF and our CSR volunteers worked very hard to provide emergency response through the distribution of family essential kits, kits for frontline workers, vital drugs and hospital support material like oxygen concentrators and ICU beds to the community around our plant locations in India and overseas. Besides monetary support to various NGOs working to provide COVID-19 relief across the country, the team was also involved in conducting COVID-19 vaccination camps for the local community around our plant locations. With the help of professionals, SRF Foundation also set up oxygen generation plants in Amreli district of Gujarat and the Dhar district of Madhya Pradesh for community use.

In addition, SRF Foundation has been working on-the-ground to support the educational needs of children across our intervention schools by bridging the digital divide between rural and urban India, through innovative methods, so that **Learning never stops!** Our Vocational Skill training centres are imparting trainings to the youth to make them employable and contributing citizens of our country.

My deepest gratitude to the team for their commitment towards making a positive change in our society.

## Our Sustainability Performance

At SRF, sustainability is a key business driver and a critical component of our success. In this year's Annual Report, we have, for the first time presented a holistic view of our value creation that goes beyond financials to equally important metrics of **Environment, Social, and Governance**. We are committed to ensuring our business practices are sustainable in every way possible, be it in the adoption of new technologies that enable a better, cleaner future or in the way we manage finite resources efficiently and care for our customers, employees, communities and the planet.

On behalf of the Board and management, I once again wish to thank you, our shareholders, for your continued support. We remain committed to creating long-term value for you every day.

Please be safe and stay well.

Sincerely,



**Arun Bharat Ram**  
Chairman

# OUR LOCATIONS



## TECHNICAL TEXTILES BUSINESS

- Malanpur Industrial Area, Bhind, Madhya Pradesh, India - 477 116
- Manali Industrial Area, Manali, Chennai, Tamil Nadu, India - 600 068
- Plot No. K1, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu, India - 601 201
- Viralimalai, District - Pudukottai, Tamil Nadu, India - 621 316



## CHEMICALS BUSINESS

- Village - Jhiwana, PO - Khijuriwas, Tehsil - Tijara, District - Alwar, Rajasthan, India - 301 019
- D - 2/1, GIDC Phase II, PCPIR, Village - Dahej, District - Bharuch Gujarat, India - 392 130



## PACKAGING FILMS BUSINESS

- Plot No. 12, Rampura, Ramnagar Road, Kashipur, District Udham Singh Nagar, Uttarakhand, India - 244 713
- Sector 3, SEZ Indore, Pithampur, District - Dhar, Madhya Pradesh, India - 454 775
- Plot No. 675, Industrial Area, Sector 3, Village - Bagdoon, Pithampur, District - Dhar, Madhya Pradesh, India - 454 775
- SRF Industries (Thailand) Ltd. Hemraj Eastern Seaboard Industrial Estate, 112, Moo 3, Tambon Tasith, Amphur Pluakdaeng Rayong Province, Thailand - 21140
- SRF Flexipak (South Africa) (Pty) Ltd. 5 Eddie Hagen Dr, Cato Ridge 3680, Durban, South Africa
- SRF Europe KFT 05/219, Jaszfenyszaru Industrial Park, Jaszfenyszaru, 5126 Hungary



## OTHER BUSINESSES

- Plot No. K1, SIPCOT Industrial Complex, Gummidipoondi, Thiruvallur District, Tamil Nadu, India - 601 201
- Unit No. 2, Plot No. 12, Rampura, Ramnagar Road, Kashipur, District - Udham Singh Nagar, Uttarakhand, India - 244 713

# 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**  
INDEPENDENT DIRECTOR



**VELLAYAN SUBBIAH**  
INDEPENDENT DIRECTOR



**TEJPREET S CHOPRA**  
INDEPENDENT DIRECTOR



**BHARTI GUPTA RAMOLA**  
INDEPENDENT DIRECTOR



**PUNEET YADU DALMIA**  
INDEPENDENT DIRECTOR



**YASH GUPTA**  
INDEPENDENT DIRECTOR

# CORPORATE INFORMATION

## AUDITORS

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

## PRESIDENT & CFO

Rahul Jain

## VICE PRESIDENT (CORPORATE COMPLIANCE) & 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  
BNP Paribas

## 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

## CORPORATE OFFICE

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

**Email:** info@srf.com

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# OUR APPROACH TO ESG

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## SCOPE AND BOUNDARY

The ESG section of the report reflects the current systems, practices, performance and the various initiatives undertaken by SRF for integrating ESG into their business activities. The report provides information on SRF India entity\* only and covers the period from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

## SRF'S BUSINESS VERTICALS



### CHEMICALS BUSINESS

Chemicals Business includes two segments, namely Speciality Chemicals and Fluorochemicals. Plants in Dahej and Bhiwadi located in Gujarat and Rajasthan respectively.

#### Speciality Chemicals

- Expertise in fluorine chemistry and deep knowledge in a variety of other organic chemistries.
- Capability to produce active, non-active advanced intermediaries used in agrochemical and pharmaceutical industries, custom research & synthesis for major players in agrochemicals and pharma space.

#### Fluorochemicals

- Global-scale fully integrated player in refrigerants & pharma propellants and industrial chemicals.
- Manufacturer of ozone-friendly refrigerants in India.
- Product application in room air-conditioners, pharma, automobile air-conditioners, refrigerators and chillers.



### TECHNICAL TEXTILES BUSINESS

Plants in Manali, Gummidipoondi and Viralmalai in Tamil Nadu and Malanpur in Madhya Pradesh.

- Largest manufacturer of technical textiles in India and also enjoys a global leadership for most of the products under this business.
- Technical textiles business offers a wide range of high-performance reinforcements, covering both nylon and polyester yarns and fabrics for diverse non-consumer and lifestyle applications.
- Product basket for technical textiles contains tyre cord fabrics, belting fabrics and industrial yarn.
- Used in varied applications, such as tyres, seat-belts, conveyer-belts and other industrial applications.



### PACKAGING FILMS BUSINESS

One plant in Kashipur, Uttarakhand and two plants in Indore, Madhya Pradesh (In addition, there are global plant facilities in Thailand, South Africa and Hungary).

- State-of-the-art facilities having capability to offer innovative solutions in BOPET and BOPP Films\*\*.
- Spectrum of product mix includes transparent, metalized, coated, and other value added films finding various diverse applications in fast moving consumer goods, Food & Agro, confectionery, soaps & detergents, solar panels, labelling, overwraps, embossing, etc.

\*Chemicals, Technical Textiles and Packaging Films Businesses covered

\*\*Bi-axially Oriented Polyethylene Terephthalate (BOPET) & Bi-axially Oriented Polypropylene (BOPP). Economic Performance reported at consolidated level