



CREATING VALUE,
THE SUSTAINABLE WAY

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CHAIRMAN'S MESSAGE



Dear Shareholders,

On behalf of the Board of Directors of SRF Ltd., I am pleased to present the annual report for the financial year ended March 31, 2023.



From a financial point of view, in FY23, SRF's revenue increased 20% from ₹12,434 crore to ₹14,870 crore over Corresponding Period Last Year (CPLY). The Company's EBIT increased 13% from ₹2,835 crore to ₹3,193 crore and the Profit after Tax increased 14% from ₹1,889 crore to ₹2,162 crore, over CPLY.

Throughout FY23, the operating environment was characterised by complexity and uncertainty: the volatile international crude oil prices, which led to fluctuation in the prices of certain key raw materials; the low level of demand from customers of our Technical Textiles and Packaging Films Businesses; and the overall macroeconomic and geopolitical upheavals. Having said that, our Chemicals Business performed exceedingly well, both on operating and financial parameters.

SRF's progress has always been purposeful – beyond profits and always inclusive. Mindfulness in our actions and awareness about the impact of our decisions, have helped us be the changemakers for a better tomorrow. It explains why we chose – **'Creating Value, the Sustainable Way'**, as the theme of our annual report this year. We remain committed to the sustainable growth of our Business.

The Year Under Review

Backed by a strong sense of purpose, and a clear strategic vision, SRF demonstrated resilience and delivered an exceptional performance in FY23.

From a financial point of view, in FY23, SRF's revenue increased 20% from ₹12,434 crore to ₹14,870 crore over Corresponding Period Last Year (CPLY). The Company's EBIT increased 13% from ₹2,835 crore to ₹3,193 crore and the Profit after Tax increased 14% from ₹1,889 crore to ₹2,162 crore, over CPLY.

Let me now talk about some of the milestones achieved by each of our Businesses in FY23.

Chemicals Business

In FY23, the Chemicals Business accomplished strong growth of 41.4% Year-over-Year (Y-o-Y) to achieve record revenues of ₹7,410.9 crore.

Specialty Chemicals Business

Our **Specialty Chemicals Business** (SCB) performed remarkably well in the year, driven by strong demand in both the export and domestic markets. The basic premise that the world is looking at alternative options to build a reliable supply chain holds true and as a result the value proposition for SCB remains very strong. Our new product portfolio is being enhanced continuously, which also helps us expand and strengthen our customer base further. During FY23, we launched four new products in the agrochemicals space and one product in the pharma segment and our developmental pipeline is stronger than ever before.

The Business continues to make investments towards safer, cleaner, and leaner operations, and further strengthen its sustainability initiatives. During the year, we successfully commissioned our state-of-the-art Multi-Purpose Production (MPP4) facility, a dedicated facility each for agrochemical and pharmaceutical intermediates and a Thermal Oxidation facility at Dahej.

The centrepiece of this sustained growth momentum has been the technological advances and breakthroughs achieved by our team of researchers and scientists. Today, the Chemicals Technology Group (CTG) has transformed into the innovation and technology leadership hub at SRF, developing a variety of new technologies and



Our fourth state-of-the-art Multipurpose Plant at Dahej, India

platforms to bolster SRF into next-level technology play. In this regard, I am pleased to share that in FY23, our R&D and scale-up facilities were further augmented, and a new R&D facility was commissioned to achieve this. With R&D getting integrated in one location at Bhiwadi, we expect further enhancement in the collaborative efforts of our researchers and scientists.

Fluorochemicals Business

The **Fluorochemicals Business** (FCB) delivered a solid performance in FY23, owing to higher sales volumes and enhanced realisations in the refrigerants, blends, and chloromethanes segments, in both the domestic and export markets. Our continued focus on growing our export markets, especially in the US has borne fruit.

Moreover, our Dymel® HFA 134a/P (pharma grade) gas continued to expand its presence in several countries and recorded healthy growth. With a solid demand outlook in important markets like India, parts of Europe, US, and the Middle East, we will continue to focus on operating our facilities as efficiently

as possible to maintain the business' dominant market position.

In FY23, our second CMS plant in Dahej was commissioned successfully. At approx. 100,000 Metric Tonnes Per Annum (MTPA), it is one of the largest of its kind plants anywhere in the world. We also commissioned a new captive power plant, which ensures that the Dahej site will not be starved for any of its utility needs, and a calcium chloride plant.

Work on the new HFC plant remains on track and product approvals for the PTFE plant, to be commissioned shortly, are underway. In addition to the above, the Board approved a project to expand our fluoropolymers range beyond PTFE to other specialty fluoropolymers during the year.

In FY23, our second CMS plant in Dahej was commissioned successfully. At approx. 100,000 Metric Tonnes Per Annum (MTPA), it is one of the largest of its kind plants anywhere in the world.

Packaging Films Business

In FY23, our **Packaging Films Business** witnessed moderate growth of 8.4% Y-o-Y to achieve revenues of ₹5,182.7 crore.

During the year, the Packaging Films Business faced headwinds with several new lines getting operationalised in both the BOPET and BOPP film segments in India and overseas. In addition, a decline in the global demand, coupled with elevated energy costs in Europe adversely impacted our operations in Hungary. We have since seen some moderation in the energy index and are confident of a better performance in FY24. We have also debottlenecked our capacity in South Africa by ~15%, which will give us some added benefits in the year ahead.

I am pleased to share that during the year, we successfully commissioned our 2nd BOPP Film Line and Metalliser at Indore, India. This investment for the expanded BOPP film production means that we are adding another 60,000 MTPA to our existing BOPP capacity of 45,000 MTPA in India. It will further boost SRF's position in the BOPP market in India and enhance volume growth in the future. It is also a matter of great pride that our Packaging Films Business (Indore) was recognised with the Quality Sustainability Award at the international convention, organised by the International Academy for Quality (IAQ), second year in a row, in recognition of our work in the area of innovating films that have a lower environmental footprint.

Our VAP story remains on track and our Aluminium Foil project is likely to start towards the end of Q2 in FY24. With this project coming on stream, it will make SRF one of a handful of companies globally that provides

three of the major substrates — BOPET, BOPP and Aluminium Foil. We believe that the ability to cross-sell all three will be unique to SRF.

As demand pivots towards global suppliers with multi-locational facilities, and with our focus on operational efficiencies, cost reduction initiatives to mitigate volatility and our strong customer relationships, we remain cautiously optimistic about the prospects of this Business.

Technical Textiles Business

In FY23, our **Technical Textiles Business** witnessed de-growth of 9.2% Y-o-Y, to close the year with revenues of ₹1,893.9 crore.

Overall, the Technical Textiles Business witnessed a subdued performance, owing to weak demand for the Nylon Tyre Cord Fabric (NTCF), our foundation business segment. Having said that, we are seeing trends for a slight improvement in demand for NTCF. This is based on our interactions with our customers. Our focus will be on ramping up capacity utilisation.

In the future, we will build on the non-tyre market in order to de-risk Technical Textiles Business from NTCF. We expect the demand for Belting Fabrics to grow in the near future due to an increased Government focus on infrastructural development. In this regard, I am pleased to share that a project for capacity expansion and modernisation of Belting Fabrics operations at Viralimalai, India from 1,100 Metric Tonnes Per Month (MTPM) to 1,800 MTPM was approved during the year. This investment will aid in enhancing our market share further and provide a strong margin profile, which is sustainable in the medium-to-long term. In addition, the sales of high-

end VAPs and commercialising Solid Woven products will be our focus in the Belting Fabrics segment.

Polyester Industrial Yarn demand is expected to go up with key drivers being geo-textiles and seat belts.

Overall, we expect the Business to experience moderate growth in FY24.

Other Businesses

In FY23, our Other Businesses demonstrated promising results of 15.4% Y-o-Y to achieve healthy revenues of ₹392.6 crore.

We achieved the highest-ever EBITDA in the **Coated Fabrics Business**, maintaining our domestic market leadership in the segment. In the **Laminated Fabrics Business** too, we managed overall volume and price leadership, despite an over-supply situation in the market that adversely impacted realisations in this segment.

An Employer of Choice

Our People are at the heart of our success and our continuing endeavours to do better. Our HR policies are crafted to ensure professional growth while contributing to the employee's sense of pride and well-being. Our record employee engagement scores and people practices have also been recognised externally, as highlighted by our recent inclusion on the Fortune 'Employers of the Future' list.

Uplifting Lives and Livelihoods

Our commitment to the communities we serve has never been stronger. Working in the areas of education, healthcare, skills development, and the bridging of the digital divide between urban and rural India, our programmes are scaling well - in reach as well as depth of impact. Today, these initiatives are touching the lives of over 2 lakh beneficiaries

— children, youth, women, and marginalised people.

Looking ahead

I believe that our Chemicals Business will continue to do well, and we will target a 20% growth in FY24 as well, which in my view will be exceptional considering the global headwinds that we are seeing. Our **Packaging Films Business** is expected to have a tough year, but we will find countermeasures as we go along. This is a part-and-parcel of business cycles.

We will continue to invest ahead of time in our **Chemicals Business** and work towards capitalising the many attractive growth opportunities we see in this Business.

In closing

I would like to thank everyone who supported us throughout this eventful year. I am grateful to our customers for entrusting us with their business, to our Board for providing invaluable guidance and to our shareholders for their continued support. I also wish to express my appreciation to our employees, who delivered successful outcomes across the globe. I look forward to the year ahead and am excited about what we can achieve together.

Sincerely,

Ashish Bharat Ram

Chairman and Managing Director
SRF Limited



Our second CMS Plant in Dahej

SRF LIMITED AT A GLANCE

SRF Limited is a chemical-based multi-business entity engaged in the manufacturing of industrial and specialty intermediates. The Company is widely recognised and well respected for its R&D capabilities globally, especially in the niche domain of chemicals. The Company is a market leader in most of its business segments in India and also commands a significant global presence in some of its businesses, with operations in three other countries namely, Thailand, South Africa and Hungary. The Company

has commercial interests in more than ninety countries and classifies its main businesses as Chemicals Business (CB), Packaging Films Business (PFB), Technical Textiles Business (TTB), and Other Businesses.

At SRF, we stand committed to serving our customers in the best possible manner through our wide range of products and services. Pursuing our passion, we have adopted 'continuous improvement' as a motto that shapes our plans and actions. With our diverse portfolio,

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

Our maxim – **"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 innovation, technology leadership, employee engagement, professional management, transparent governance and inclusive growth.



Bird's eye view of our Dahej facility

AWARDS & RECOGNITION

SRF is proud to be recognised by some of the most important and influential publications and organisations around the world in FY23.



SRF's Chairman and Managing Director, Ashish Bharat Ram named **India's Best CEO** in the Mid-sized Companies category of the **Business Today-PwC India's Best CEOs**.



Awarded the **Best Family Business** in the Giga category at the first-ever Moneycontrol Indian Family Business Awards 2021



Named **Employer of the Future** by FORTUNE INDIA Magazine



SRF's President & CFO, Rahul Jain recognised with the **"FE Financial Star"** award under Financial Express.com FE POWER LIST



SRF's Chemicals manufacturing facility in Bhiwadi, Rajasthan honoured with the **Bhamashah Award** by the Government of Rajasthan. The site received this award for outstanding contribution in Education and Infrastructural development of Government Schools in Alwar, Rajasthan



Received the **Finance Transformation Initiative of the Year Award** - The C2FO program



Won the award for **Enlightened Growth Leadership, 2022** by the Frost & Sullivan Institute



Mahatma Award for Social Good and Impact in Quality Education earned by SRF Foundation



SRF's Packaging Films Business is the recipient of the **IAQ Quality Sustainability Award** by the International Academy for Quality (IAQ)



SRF's Fluorochemicals Business unit in Thailand was conferred the **'Best Supplier' Award** by Toshiba

OUR LOCATIONS

- 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

CHEMICALS BUSINESS



National

- Rampura, Ramnagar Road,
Kashipur - 244 713,
Uttarakhand
- Special Economic Zone,
Pithampur – 454 775,
Madhya Pradesh
- Industrial Area, Bagdoon,
Pithampur – 454 775,
Madhya Pradesh
- Industrial Growth Centre,
Pithampur – 454 775,
Madhya Pradesh
- SRF Altech Ltd.
Jetapur-Palasia Industrial
Area, Jetapur – 454 552,
Madhya Pradesh

PACKAGING FILMS BUSINESS



International

- SRF Industries (Thailand) Ltd.
D-20, Hemraj Eastern
Seaboard Industrial Estate,
Amphur Pluakdaeng,
Rayong - 21140
- SRF Flexipak (South Africa) Ltd.
5 Eddie Hagan Drive,
Cato Ridge 3680,
KwaZulu-Natal, Durban
- SRF Europe Kft.
SRF Ut 1,
Jászfényszaru-5126, Hungary

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

TECHNICAL TEXTILES BUSINESS



- 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

OTHER BUSINESSES



CHAIRMAN EMERITUS

**Arun
Bharat Ram**



BOARD OF DIRECTORS

**Ashish
Bharat Ram**

Chairman &
Managing
Director



**Kartik
Bharat Ram**

Joint
Managing
Director



**Pramod
G. Gujarathi**

Director (Safety
& Environment)
and Occupier



**Vellayan
Subbiah**

Non-Executive,
Non-Independent
Director



**Tejpreet S
Chopra**

Independent
Director



**Lakshman
Lakshminarayan**

Independent
Director



**Bharti Gupta
Ramola**

Independent
Director



**Puneet
Yadu Dalmia**

Independent
Director



**Yash
Gupta**

Independent
Director



**Raj Kumar
Jain**

Independent
Director



CORPORATE INFORMATION

Auditors

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

President & CFO

Rahul Jain

Sr. 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

Yes Bank
MUFG Bank Limited
Sumitomo Mitsui
Banking Corporation
Mizuho Bank Limited

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: cs@srf.com
www.srf.com

OUR APPROACH TO ESG

- **About the ESG Report**
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 - Sustainability Governance Framework
 - Industry Associations
 - Compliances and Regulations
- **Materiality Assessment**
- **Building Long-term Relationship with Stakeholders**
- **Risk Management**
 - Linkages with SDGs
- **Strategy**
- **Value Creation Model**
- **Capital-wise Performance**
- **Financial Capital**
- **Manufactured Capital**
- **Intellectual Capital**
- **Human Capital**
- **Natural Capital**
- **Social and Relationship Capital**

ABOUT THE ESG REPORT

The ESG report provides a holistic overview of our sustainable and responsible approach to creating long-term value for our stakeholders, including customers, investors, employees, communities, etc., and sustainably leading our business operations. It reflects the financial and non-financial performance of SRF Limited highlighting the current system, processes, performance and initiatives undertaken in the reporting period.

Scope and Boundary

The report highlights the performance of SRF Limited for the period April 1, 2022 to March 31, 2023. This report covers the following businesses of SRF Limited:

- Chemicals Business
- Packaging Films Business
- Technical Textiles Business

Other businesses such as Laminated Fabrics and Coated Fabrics are not considered.

Financial numbers in this report are given on a consolidated basis.

Reporting Frameworks

The report is aligned with the 'Guiding Principles' and the 'Content Elements' of the International Integrated Reporting Council's (IIRC) framework. The content also conforms to the Global Reporting Initiative (GRI) standard.

The Company has disclosed required information in accordance with Business Responsibility and Sustainability Reporting (BRSR) disclosure principles wherever applicable. The financial and

statutory information in this report is in accordance with the requirements of the Companies Act, 2013, Indian Accounting Standards, and the Secretarial Standards.



Business Portfolio



Chemicals
Business



Packaging
Films Business



Technical
Textiles Business

CHEMICALS BUSINESS



The Chemicals business includes two segments, namely Specialty Chemicals and Fluorochemicals.

Specialty Chemicals

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

Fluorochemicals

- Manufacturer of ozone-friendly refrigerants in India with global-scale fully integrated facilities
- Pharma propellants and industrial chemicals

PACKAGING FILMS BUSINESS



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

TECHNICAL TEXTILES BUSINESS



- The largest manufacturer of technical textiles in India
- Product basket for technical textiles includes tyre cord fabrics, belting fabrics and industrial yarn and is used in varied applications, such as tyres, seatbelts, conveyor-belts and other industrial applications