SRF

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Mumbai 400 001

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051

Scrip Code- 503806

Scrip Code-SRF

SRF/SEC-D/16

10th February, 2017

Presentation- Earnings Call (Unaudited Financial Results for the quarter/nine months ended 31.12.2016)

In continuation of our letter dated 9th February, 2017 informing about hosting of earning call to discuss unaudited financial results for quarter and nine months ended 31st December, 2016, please find enclosed Investors presentation, of the same for your reference and record.

The same is also available on the Company's website i.e. www.srf.com

Thanking you,

Yours faithfully,

For SRF LIMITED

SANJIV KUMAR SHARMA
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Corporate Identity No. L18101DL1970PLC005197

SRF Limited

Q3 & 9M FY17 Results Presentation

February 10, 2017

Diversity

Innovation

Performance

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We always find a better way

Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. SRF Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

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Q3 & 9M FY17 Results Overview

Results Overview Key Highlights

- The Company performed well despite global agrochemical slowdown
- Commissioned a new PFB BOPET films unit at the Indore in Feb 2017 at a cost of Rs. 330 crore
  - Offline Coating Machine with an estimated cost of Rs. 26 crore is under commissioning
- The Board of Directors approved an interim dividend at the rate of 60% - amounting to Rs. 6 per share

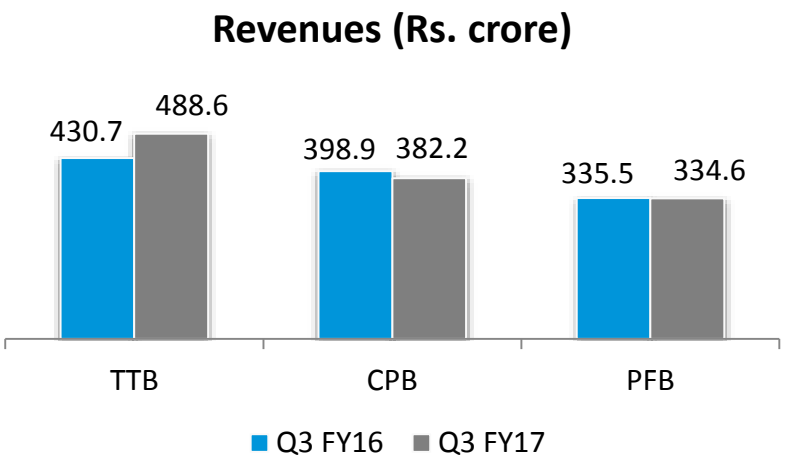
Abridged Statement of Profit & Loss

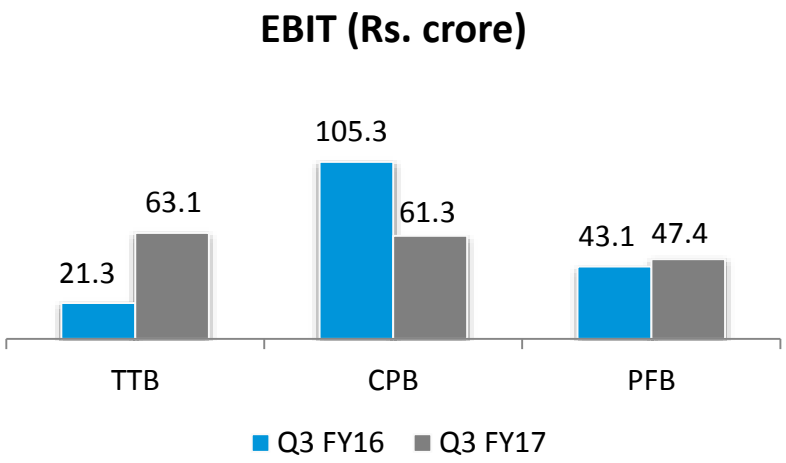
Consolidated figures

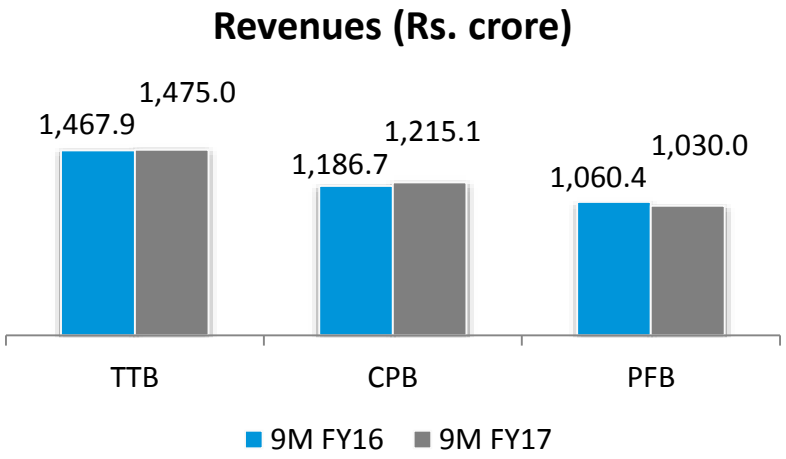
(Rs. crore)	Q3 FY17	Q3 FY16	% Y-o-Y	9M FY 17	9M FY 16	% Y-o-Y
Gross Operating Revenue	**1,205.4**	**1,165.2**	**3.5%**	**3,720.1**	**3,715.0**	**0.1%**
EBIDTA	**237.7**	**238.4**	**-0.3%**	**766.9**	**765.4**	**0.2%**
EBIDTA Margin (%)	*19.7%*	*20.5%*		*20.6%*	*20.6%*	
Depreciation	74.4	71.4	4.2%	221.3	217.2	1.9%
Interest & ECF	31.5	37.7	-16.5%	70.4	114.9	-38.7%
Profit Before Tax	**131.8**	**129.3**	**1.9%**	**475.2**	**433.2**	**9.7%**
Profit After Tax	**104.7**	**96.9**	**8.1%**	**368.2**	**312.4**	**17.8%**
Profit After Tax Margin (%)	*8.7%*	*8.3%*		*9.9%*	*8.4%*	
Diluted EPS (Rs.)	18.2	16.9		64.1	54.4	

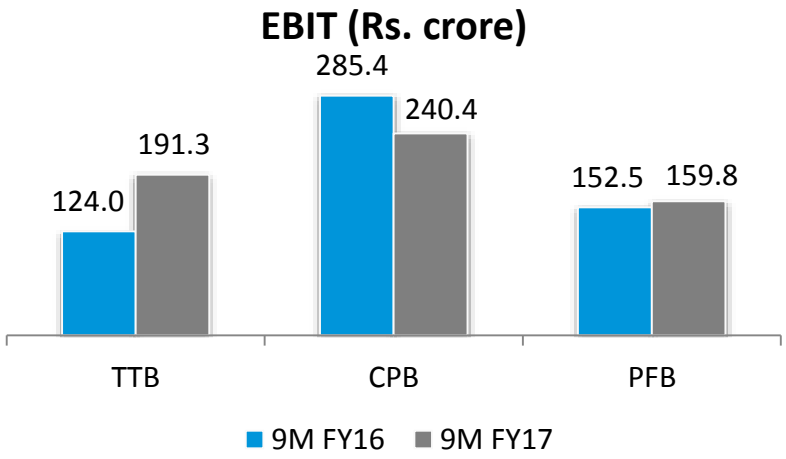
NOTE – The company has adopted Indian Accounting Standards (IndAS) with effect from 1 April 2016. The figures for the quarter ended 31 December 2015 have also been restated as per IndAS.

Results Overview Revenue & EBIT







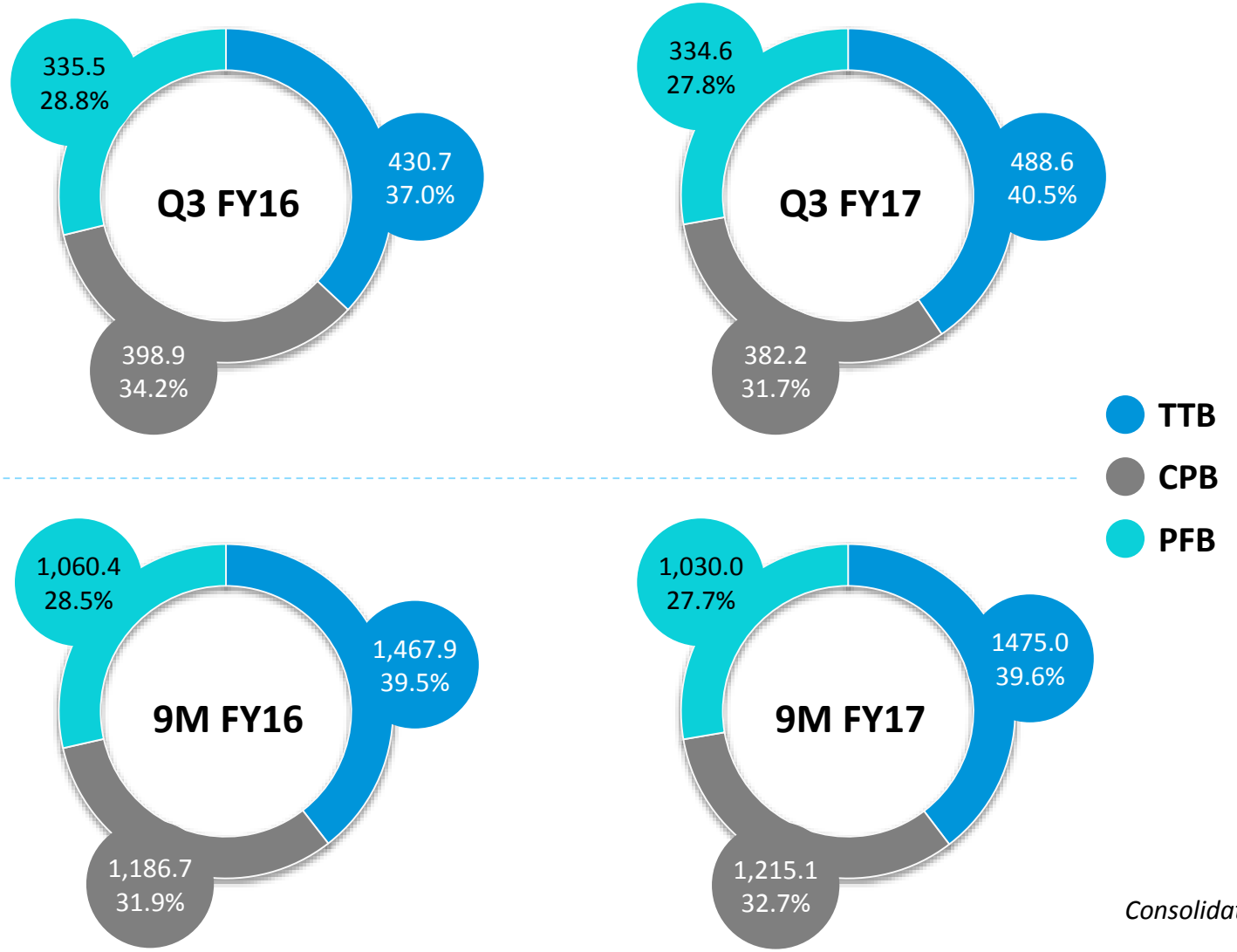


Consolidated figures

***TTB** – Technical Textiles Business; **CPB** – Chemicals & Polymers Business; **PFB** - Packaging Films Business;*

Results Overview

Revenue Share



Consolidated figures (Rs. crore)

***TTB** – Technical Textiles Business; **CPB** – Chemicals & Polymers Business; **PFB** - Packaging Films Business;*

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Technical Textiles

Chemicals & Polymers

Packaging Films

Q3 & 9M FY17 Segmental Overview

Technical Textiles Results Update

(Rs. crore)	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q3 FY17	**488.6**	***40.5%***	**63.1**	**12.9%**	***36.7%***
Q3 FY16	430.7	*37.0%*	21.3	4.9%	*12.6%*
% Shift	*13.4%*		*196.1%*		
9M FY17	**1,475.0**	***39.6%***	**191.3**	***13.0%***	*32.3%*
9M FY16	1,467.9	*39.5%*	124.0	*8.4%*	*22.1%*
% Shift	*0.5%*		*54.3%*		

Consolidated figures

Technical Textiles Key Highlights

- **Nylon Tyre Cord Fabric (NTCF)**
  - Segment reported healthy growth due to factors such as
    - Prudent Raw Material and inventory management
    - Higher volumes, better margins and an enhanced emphasis on operational efficiencies
    - All facilities have been operating at optimal levels – operations at Manali unit were impacted in the corresponding quarter last year due to floods
- **Coated and Laminated Fabrics**
  - Maintained leadership position in Coated and Laminated Fabrics segment
  - Reported positive sales momentum in Laminated segment in a competitive environment
  - Successfully introduced new products in the Coated Fabric segment
- **Belting Fabrics**
  - Revival in the mining sector and penetration into Tier 2 customers led to better performance

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Technical Textiles

Chemicals & Polymers

Packaging Films

Q3 & 9M FY17 Segmental Overview

Chemicals & Polymers Results Update

(Rs. crore)	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q3 FY17	**382.2**	***31.7%***	**61.3**	***16.0%***	***35.7%***
Q3 FY16	398.9	*34.2%*	105.3	*26.4%*	*62.1%*
% Shift	*-4.20%*		*-41.81%*		
9M FY17	**1,215.1**	***32.7%***	**240.4**	***19.8%***	*40.6%*
9M FY16	1,186.7	*31.9%*	285.4	*24.1%*	*50.8%*
% Shift	*2.4%*		*-15.8%*		

Consolidated figures

Chemicals & Polymers

Key Highlights

- **Specialty Chemicals Business**
  - Agro-chemical segment witnessing subdued demand as adverse global macro-economic environment continues to impact the sector
  - Focus on expansion of pharmaceutical intermediates in product portfolio which is showcasing positive trend
    - Expanding market reach to cater to new Pharma customers – SRF's Quality Assurance (QA) system is inline with stringent requirements
  - Focus on keeping the funnel full – enhancing the pipeline of molecules in both Pharma and Agro segments
    - Greater R&D to introduce new products and expand product range over the next few years

Chemicals & Polymers

Key Highlights

- **Fluorochemicals Business**
  - Healthy performance reported during the quarter
    - Improved volumes for refrigerants and blends
  - SRF is now the **largest manufacturer of refrigerants** in India – continues to further strengthen its leadership position with sale of R134a and blends

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Technical Textiles

Chemicals & Polymers

Packaging Films

Q3 & 9M FY17 Segmental Overview

Packaging Films Results Update

(Rs. crore)	Segment Revenues	% contribution to Revenues	EBIT	% EBIT Margins	% contribution to EBIT
Q3 FY17	**334.6**	***27.8%***	**47.4**	***14.2%***	***27.6%***
Q3 FY16	335.5	*28.8%*	43.1	*12.8%*	*25.4%*
% Shift	*-0.3%*		*10.1%*		
9M FY17	**1,030.0**	*27.7%*	**159.8**	***15.5%***	*27.0%*
9M FY16	1,060.4	*28.5%*	152.5	*14.4%*	*27.1%*
% Shift	*-2.9%*		*4.8%*		

Consolidated figures

Packaging Films Key Highlights

- **Packaging Films Business**
  - Segment reported stable performance during the quarter under review
    - Facilities at Indore and Thailand beat their own benchmark of being the lowest cost producer in the industry
    - Optimizing product mix, manpower and raw material cost to achieve better productivity
    - Focus on enhancing share of innovative value added products to overall portfolio
    - All facilities operated at almost full capacity in spite of challenging market conditions
      - Witnessed some pressure on margins in both domestic and global markets
  - Commissioned a new BOPET films unit at the Indore in Feb 2017 at a cost of Rs. 330 crore
    - Offline Coating Machine with an estimated cost of Rs. 26 crore is under commissioning

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Company Overview

Overview Business Profile

Technical Textiles

- Tyre cord fabrics (nylon & polyester)
- Belting fabrics
- Coated fabrics
- Laminated fabrics
- Industrial yarns

Revenue	1,740
Operating Profit	173
Number of Plant Locations	7

Chemicals & Polymers

Fluorochemicals

- Refrigerants
- Chlorinated solvents

Specialty Chemicals

- Organic intermediates

Engineering Plastics

- Polymer compounds

Revenue	1,555
Operating Profit	389
Number of Plant Locations	4

Packaging Films

Films for Flexible Packaging

- Bi-axially Oriented Polyethylene Terephthalate (BOPET)
- Bi-axially Oriented Polypropylene (BOPP)

Revenue	1,306
Operating Profit	193
Number of Plant Locations	4

Consolidated IGAAP numbers, FY16 figures in Rs. Crore

Overview

Growth Levers

Focus on building leadership businesses

Build and maintain market leadership in business segments

Nurture innovation through R&D

Reposition portfolio towards knowledge based products

Build a Company known and respected for its R&D capabilities

Continue to build new competencies in the chemical technology space

Focus on building knowledge based value-added products

De-risk from Technical Textiles Business

Drive growth in new businesses

Overview

Driving Innovation through R&D

- **The Chemicals Technology Group (CTG) is actively engaged in the development of new process technologies**
  - Key focus on the niche area of fluorinated molecules
- **Strong internal competencies and capabilities**
  - Equipped with state-of-the-art R&D facilities and an ingenious team of scientists and engineers
- **2 R&D centres in India**
- **Filed 6 process patents during Q3FY17 taking the tally to 103 patents filed to date, out of which 6 have been granted**

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Outlook

Outlook

Technical Textiles Business

- **NTCF is expected to remain a key business in the segment and a generator of steady cash flow**
- **Demand for NTCF to mirror Indian GDP growth as it is closely linked to the transportation sector**
- **Improving macroeconomic environment to have a positive impact on coated and belting fabric segments going forward**

Outlook

Chemicals & Polymers Business

- **Focus on expanding new markets / geographies for refrigerants and solvents**
- **Focus on accelerating qualifications of various new molecules in both Agro and Pharmaceutical sectors**
- **Increased capex is being undertaken to ensure we have capacities in place to meet the expected rebound.**

Outlook

Packaging Films Business

- **Focus on increasing pace of R&D efforts, efficient cost structures, enhanced capabilities and value-added products in the portfolio**
- **New DTA line at Indore is on schedule for BOPP**

About Us

With a turnover of ₹4600 crore (US$ 695 million), SRF Limited (established in 1970) is a chemical based multi-business entity engaged in the manufacturing of industrial intermediates. The company's diversified business portfolio covers Technical Textiles, Fluorochemicals, Specialty Chemicals, Packaging Films and Engineering Plastics. Anchored by a strong workforce of close to 6500 employees from different nationalities working across 9 manufacturing plants in India, 2 in Thailand and 2 in South Africa, the company exports to more than 75 countries. Equipped with State-of-the-Art R&D facilities, SRF has filed more than 103 patents for R&D and technology so far, of which six have been granted. A winner of the prestigious Deming Prize for two of its businesses namely Tyre Cord and Chemicals, SRF continues to redefine its work and corporate culture with TQM as its management way.

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Thank you