



SRF Limited

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For immediate release

SRF declares record Q4 profit at Rs. 111 crore

- SRF stand alone Q4 net sales at Rs. 676 crore, a growth of 66%
- SRF stand alone Q4 EBIDTA at Rs. 218 crore, a growth of 173%
- FY consolidated PAT at all time high at Rs. 324 crore, a growth of 132%
- FY consolidated net sales at Rs. 2499 crore, a growth of 24%
- Board approves capex proposal of apprx. Rs. 143 cr for expansion of Coated Fabrics

Gurgaon, 7th May 2010: Aided by the economic upturn, SRF Limited, a multi-business entity engaged in the manufacture of chemical based industrial intermediates, posted an all time high net profit after tax (PAT) of Rs. 111 crore for the fourth quarter of 2009-10, recording a 423% increase over the corresponding period last year (CPLY). SRF's revenue during Q4 improved by 66% to Rs. 676 crore as against Rs. 408 crore over CPLY. The company's audited results were taken on record by the Board of Directors this afternoon.

The surge in the company's net profit for the fourth quarter, which included a gain of around Rs. 11 crore on account of exchange currency fluctuation, was helped by robust demand and higher sales. The successful commissioning of the second Biaxially Oriented Polyester (BOPET) film line under its packaging film business, during the third quarter of the financial year also contributed to the improved performance of the company.

Reflecting on the results, **Ashish Bharat Ram, Managing Director, SRF**, said, "We have had a very good year where all our businesses have performed well, especially the Technical Textiles Business which has posted excellent numbers. Going forward we remain cautiously optimistic of the year ahead. While we believe that the domestic growth story will remain intact, uncertainties on the global front remain. The commodity price boom could put some pressure on margins."

Annual Financials

An all round improvement in operations across the businesses enabled SRF consolidated to post a record PAT of Rs. 324 crore for the whole year 2009-10, an increase of 132% over CPLY. The consolidated net sales grew by 24%, from Rs. 2023 crore to Rs. 2499 crore during the same period. In particular, SRF's consolidated Technical Textiles Business, which accounts for more than 50% of the company's revenue, recorded a 1180% growth in its profit from operations at Rs. 229 crore during the year.

The improved financial performance of the company resulted in an improvement in multiple performance parameters such as debt-equity ratio (from 0.96 to 0.78) and debt-EBIDTA ratio (from 2.23 to 1.55).

Capex Approval

The board also approved a capex proposal to enhance the capacity of Coated Fabrics by 170 lakh square metre per annum at SRF's existing plant location in Gummidipoondi at a total investment of approximately Rs. 143 crore. The new facility when completed will enable SRF to offer new products such as lacquered tarpaulins and fabrics for tensile structures and awnings as well as Poly Urethane (PU) Coated Fabrics which are emerging applications in India.

Projects Commissioned

The Laminated Fabric Plant at Kashipur was commissioned and capitalised during Q4 of the current financial year. Besides the second BOPET film line in Indore, the Company also commissioned and capitalised two other projects; manufacturing facilities for Polyester Industrial Yarn and Dipping Facilities at its existing plant location in Gummidipoondi and facilities for Fluorospecialties at Bhiwadi, during 2009-10.

Dividend

Earlier, SRF had paid two interim dividends, each at the value of Rs. 7 per share aggregating to Rs. 14 per share during the year. In today's meeting, the board recommended NIL final dividend for the year 2009-10.

About SRF

Established in 1973, SRF as a group has today grown into a global entity with operations in 4 countries. Apart from Technical Textiles Business, in which it enjoys a global leadership position, SRF is a domestic leader in Refrigerants, Engineering Plastics and Industrial Yarns as well. The company also enjoys a significant presence among the key domestic manufacturers of Polyester Films and Fluorospecialties. Building on its in-house R&D facilities for Technical Textiles Business and Chemicals Business, the company strives to stay ahead in business through innovations in operations and product development. A winner of the prestigious Deming Application Prize for its tyre cord business, SRF continues to redefine its work and corporate culture with the TQM as its management way.

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