



SRF LIMITED

UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER ENDED 30TH JUNE 2014

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2014


(Rs. in Lakhs)

PART I					
Sl. No.	Particulars	3 Months Ended 30th June 2014	3 Months Ended 31st March 2014	3 Months Ended 30th June 2013	Previous Accounting Year Ended 31st March 2014
		(1)	(2)	(3)	(4)
		Unaudited	Unaudited	Unaudited	Audited
1	Income from operations				
	a) Net sales/ income from Operations (net of excise duty)	93625	88367	81905	340210
	b) Other Operating Income	564	311	586	1505
	Total income from operations (net)	94209	88678	82491	341715
2	Expenditure				
	a. Cost of materials consumed	52134	52778	47431	201684
	b. Purchase of stock-in-trade	696	505	419	1602
	c. Changes in inventories of finished goods, work-in-progress and stock in trade	618	1078	1478	(476)
	d. Employee benefits expense	6154	6462	5443	23272
	e. Depreciation and amortisation expense	4911	4621	4839	19048
	f. Power and Fuel	9971	9524	8472	34940
	g. Other Expenditure	7573	7728	6481	29448
	Total Expenditure	82057	82696	74563	309516
3	Profit from Operations before Other Income, Finance Costs, Exchange Currency Fluctuation and Exceptional Items (1-2)	12152	5982	7928	32199
4	Other Income	3044	854	873	2471
5	Profit from ordinary activities before Finance Costs, Exchange Currency Fluctuation and Exceptional Items (3+4)	15196	6836	8801	34670
6	Finance Costs	2240	1119	2027	7002
7	Profit from ordinary activities after Finance Costs but before Exchange Currency Fluctuation and Exceptional Items (5-6)	12956	5517	6774	27668
8	Exchange Currency Fluctuation Loss / (Gain)	12	(1071)	1638	582
9	Exceptional Items	-	-	-	-
10	Profit from Ordinary Activities before Tax (7-9)	12844	6588	5136	27086
11	Provision for Tax				
	- Current Tax	2660	430	1610	5490
	- MAT Credit	(348)	(2841)	-	(2841)
	- Deferred Tax	565	3709	(187)	3419
	- Provision for Tax Relating to Earlier Years	-	-	(668)	(636)
12	Net Profit from Ordinary Activities after Tax (10-11)	9947	5290	4381	21654
13	Extraordinary Items (Net of Tax Expense)	-	-	-	-
14	Net Profit for the Period (12-13)	9947	5290	4381	21654
15	Paid Up Equity Share Capital (Rs. 10 each fully paid up)	5742	5742	5742	5742
16	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	207587
17	Basic EPS for the Period (Not annualised)	17.32	9.21	7.63	37.71
18	Diluted EPS for the Period (Not annualised)	17.32	9.21	7.63	37.71

PART II					
Sl. No.	Particulars	3 Months Ended 30th June 2014	3 Months Ended 31st March 2014	3 Months Ended 30th June 2013	Previous Accounting Year Ended 31st March 2014
		(1)	(2)	(3)	(4)
		A PARTICULARS OF SHAREHOLDING			
1	Public Shareholding				
	- Number of Shares	27345000	27345000	27685430	27345000
	- Percentage of Shareholding	47.62%	47.62%	46.22%	47.62%
2	Promoters and Promoter Group Shareholding				
(a)	Pledged/Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of the total share capital of the Company)	-	-	-	-
(b)	Non-Encumbered				
	- Number of shares	30075500	30075500	29735070	30075500
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total shareholding of the total share capital of the Company)	52.38%	52.38%	51.78%	52.38%

Sl. No.	Particulars	3 Months ended 30th June 2014

B INVESTOR COMPLAINTS		
	- Pending at the beginning of the quarter	96
	- Received during the quarter	86
	- Closed/Resolved at the end of the quarter	

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SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT FOR THE QUARTER ENDED 30TH JUNE 2014

(Rs. In Lakhs)

Particulars	3 Months Ended 30th June 2014	3 Months Ended 31st March 2014	3 Months Ended 30th June 2013	Previous Accounting Year Ended 31st March 2014
	(1)	(2)	(3)	(4)
	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue				
a) Technical Textiles Business (TTB)	45426	47497	43617	181023
b) Chemicals and Polymers Business (CPB)	32052	24836	22969	95627
c) Packaging Film Business (PFB)	16966	16582	15995	65755
Total Segment Revenue	94444	88915	82581	342405
Less: Inter Segment Revenue	235	237	90	690
Net Sales / Income from Operations	94209	88678	82491	341715
Segment Results				
(Profit before Interest and Tax from each Segment)				
a) Technical Textiles Business (TTB)	4466	4393	3834	16746
b) Chemicals and Polymers Business (CPB)	7662	3433	5258	19130
c) Packaging Film Business (PFB)	1060	543	480	2415
Total Segment Results	13208	8369	9572	38291
Less/(Add): i) Finance Costs	2340	1119	2027	7002
ii) Other Unallocable Expenses Net of Income	(1976)	662	2409	4203
Total Profit Before Tax	12844	6588	5136	27086
Capital Employed (Segment Assets Less Segment Liabilities)				
a) Technical Textiles Business (TTB) (Including Capital Work In Progress Rs 2503 lakhs as at 30th June 2014)	111073	113402	115347	113402
b) Chemicals and Polymers Business (CPB) (Including Capital Work In Progress Rs 9854 lakhs as at 30th June 2014)	197813	191416	143096	191416
c) Packaging Film Business (PFB) (Including Capital Work In Progress Rs 455 lakhs as at 30th June 2014)	43722	39726	41644	39726
Total Capital Employed	352608	344544	300687	344544
Add: Unallocable Assets Less Liabilities	27029	24969	30170	24969
Total Capital Employed in the Company	379637	369533	330257	369533

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- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 4th August, 2014.
- 2 The Company had opted to apply the provisions under paragraph 46A of Accounting Standard (AS) - 11 "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2013. Accordingly, the depreciated/amortised portion of net foreign exchange (gain)/loss on long-term foreign currency monetary items, for the quarter ended 30th June, 2014 is Rs. 86.96 lakhs. The unamortised portion carried forward as at 30th June, 2014 is Rs. 4552.28 lakhs.
- 3 The Company had received demand notices from the Commercial Tax Department, Government of Madhya Pradesh ("State Government") for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to Rs. 9491 lakhs (including interest and penalty) for the period from 2007 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA).

 In terms of the Policy of the Government of Madhya Pradesh and Madhya Pradesh SEZ Act, 2003, the Unit was exempt from local state taxes and levies. The Company has paid Additional Countervailing Duty (ACVD), to counter balance CST / VAT, aggregating to Rs. 4831 lakhs for the period from 2007 to 2013 on sales from the SEZ to the DTA under the Customs laws pursuant to the Special Economic Zone Act 2005, MP SEZ Act, 2003 and the Policy of Centre and Madhya Pradesh State. The Company had filed a writ petition before the Indore Bench of the Hon'ble High Court of Madhya Pradesh ("Court") against the said demands.

 The Company contended that while State is demanding local taxes, the Centre in its reply has stated that ACVD is payable and therefore this amounts to double taxation.

 The Court has directed the State Government not to take any coercive steps for recovery of demand.

 The matter is sub judice. In terms of last order dated May 12, 2014, the next date of the hearing in the matter is yet to be fixed. The Management of the Company, based on the facts of the case and opinion received by the Company from legal experts, is confident of getting a relief in the matter from the Court and, accordingly, has not made any provision for the said disputed demands.
- 4 During the quarter ended June 30, 2014, pursuant to the requirements of Schedule II of the Companies Act, 2013, the Company has, effective April 1, 2014, reviewed and revised the estimated useful lives of its fixed assets. Consequent thereto, the depreciation charge for the quarter is lower by Rs. 729.78 lakhs. Additional adjustments, if any, based on further refinement of estimates / clarifications from regulators in this regard would be carried out as and when determined.
- 5 During the quarter, entire equity capital held by the Company in SRF Transnational Holdings Limited and SRF Properties Limited (wholly owned subsidiaries of the Company) were sold for consideration of Rs. 11.34 Crores and Rs. 21 Crores respectively.
- 6 The Board of Directors have approved the payment of an interim dividend @ 50% i.e. Rs. 5/- on each equity share of the nominal value of Rs. 10/-
- 7 Previous period figures have been regrouped wherever necessary to conform to current quarter classifications.

Limited Review:

The Limited Review for the quarter ended June 30, 2014 as required under Clause 41 of Listing Agreement has been completed by the Statutory Auditors.

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DELOITTE HASKINS & SELLS

Place : Delhi

Date : 4th August, 2014

For and on behalf of the Board

Ashish Bharat Ram
 Managing Director

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF SRF LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SRF LIMITED** ("the Company") for the Quarter ended June 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement together with the notes thereon, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Attention is invited to Note 3, which sets out the position of the demand for Central Sales Tax (CST), VAT and Entry Tax aggregating to Rs. 9491 lakhs (including interest and penalty) for the period from 2007 to 2013 by the Commercial Tax Department, Government of Madhya Pradesh, in respect of sales from the Company's manufacturing facility in its Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA). The matter is sub-judice and is pending before the Hon'ble High Court of Madhya Pradesh. Basis legal opinion obtained by the Company, the Management of the Company is confident of getting relief in this matter and, accordingly, has not made any provision for the said disputed demands.

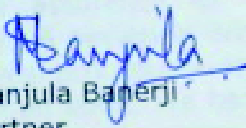
Our conclusion is not qualified in respect of this matter.

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5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended June 30, 2014 of the Statement, from the details furnished by the Management/Registrars.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 015125N)


Manjula Banerji
Partner
(Membership No. 086423)

GURGAON, AUGUST 4, 2014

