



## “SRF Limited 51<sup>st</sup> Annual General Meeting”

**July 21, 2022**



**MANAGEMENT:**

**MR. ARUN BHARAT RAM – CHAIRMAN EMERITUS, SRF LIMITED**

**MR. ASHISH BHARAT RAM – CHAIRMAN AND MANAGING DIRECTOR, SRF LIMITED**

**MR. KARTIK BHARAT RAM – JOINT MANAGING DIRECTOR AND CHAIRMAN OF CSR COMMITTEE, SRF LIMITED**

**MR. L. LAKSHMAN – INDEPENDENT DIRECTOR AND CHAIRMAN OF AUDIT COMMITTEE, SRF LIMITED**

**MR. TEJPREET SINGH CHOPRA – INDEPENDENT DIRECTOR AND CHAIRMAN OF NOMINATION REMUNERATION COMMITTEE AND STAKEHOLDER RELATIONSHIP COMMITTEE, SRF LIMITED**

**MR. VELLAYAN SUBBIAH – NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR, SRF LIMITED**

**MS. BHARTI GUPTA RAMOLA – INDEPENDENT DIRECTOR AND MEMBER OF THE AUDIT COMMITTEE, SRF LIMITED**

**MR. YASH GUPTA – INDEPENDENT DIRECTOR AND MEMBER OF NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDER RELATIONSHIP COMMITTEE, SRF LIMITED**

**MR. PUNEET DALMIA – INDEPENDENT DIRECTOR AND MEMBER OF NOMINATION AND REMUNERATION COMMITTEE, SRF LIMITED**

**MR. RAJ KUMAR JAIN – INDEPENDENT DIRECTOR AND MEMBER OF AUDIT COMMITTEE, SRF LIMITED**



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**Moderator:** Dear shareholders, Good Morning, and a very warm welcome to 51<sup>st</sup> Annual General Meeting of SRF Limited through Video Conferencing. As a reminder, for the smooth conduct of the meeting the members will be in the mute mode and audio and video will be opened when they speak at the AGM as per the preregistration. Please note that as per the requirements the proceeding of the Annual General Meeting will be recorded and transcript shall be available on the website of the company. I now hand over the proceedings to Mr. Ashish Bharat Ram – Chairman and Managing Director of SRF Limited. Over to you, Sir.

**Ashish Bharat Ram:** Thank you. Friends Good Morning. May I have your attention please. I welcome all of you to the 51<sup>st</sup> Annual General Meeting of the company which is a third AGM of the company being held through video conferencing. Let me introduce the other directors to you Mr. Kartik Bharat Ram – Joint Managing Director of the company and Chairman of the CSR Committee, Mr. L. Lakshman – Independent Director and Chairman of the Audit Committee, Mr. Tejpreet Singh Chopra – Independent Director and Chairman of the Nomination Remuneration Committee and Stakeholder Relationship Committee, Mr. Vellayan Subbiah – Non Executive and Non Independent Director, Ms. Bharti Gupta Ramola – Independent Director and Member of the Audit Committee, Mr. Yash Gupta an Independent Director and Member of Nomination and Remuneration Committee and the Stakeholder Relationship Committee, Mr. Puneet Dalmia – Independent Director and Member of the Nomination and Remuneration Committee, Mr. Raj Jain – Independent Director and Member of Audit Committee and we also have Mr. Arun Bharat Ram – Chairman Emeritus, Mr. Pramod Gujarathi – Director Safety Environment unfortunately could not join the meeting due to pre occupation. The requisite quorum being present I hereby call the meeting to order. Friends the notice of the 51<sup>st</sup> Annual General Meeting has been circulated to all of you and accordingly we will take the notice as read. I will now give my opening remarks.

Dear shareholders, colleagues on the board. Ladies and gentlemen, I would like to welcome you all to the 51<sup>st</sup> Annual General Meeting of the company. I am honored to chair the board of this wonderful organization. As I take on this role as the great sense of responsibility. I feel the same excitement and pride that I felt when my started my career here more than 25 years ago. Over the years, the business has continuously evolved to remain relevant to changing times. However, what has stayed constant are the values and culture that form the bedrock of your company.

This brings me to an important part of my address today. I wish to thank my father and recently Retired Chairman Mr. Arun Bharat Ram now designated as Chairman Emeritus who has been the driving force behind the performance of the Company for all these years. Under his leadership SRF has evolved into a global scale, technology driven company today. Throughout his tenure SRF has expanded its product portfolio, entered new markets, consolidated product platforms, modernized facilities and engaged with community.

His legacy will impact SRF for years to come!



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At this point, I would like to extend a warm welcome to Mr. Raj Jain, who joins the SRF Board as independent director. Raj brings his vast experience in strategy, joint-ventures, and business leadership to the SRF Board, and we look forward to his perspective and guidance on the organization's future.

. In business terms the Financial Year 21-22 was a stellar year for SRF. We reached new levels of performance across all our key metrics and are continuing to build on this momentum.

In 21-22 the company achieved a 58% increase in profit after tax of ₹1,889 crores as compared to ₹ 1,198 crores last year. The company's revenue for the year stood at ₹12,434 crores as against ₹8,400 crores in the previous year recording an overall growth of 48%. I would like to congratulate my 7,000 plus colleagues around the world who have demonstrated remarkable resilience in enabling us to navigate these challenging times together from geopolitical uncertainty due to the global pandemic.

At SRF a strong focus in environment, health and safety is at the core of who we are. It gives me a sense of pride that the company received various accolades for our industry safety practices. During the year almost every home in India was impacted by the devastating second wave of pandemic. We did everything in our capacity to contribute to the communities around our plants during the COVID-19 crisis. At some of our facilities in India, we operated community kitchens to feed the needy. SRF Foundation, the CSR wing of the company conducted vaccination drives for more than 15,000 people around SRF's manufacturing locations, donated oxygen concentrators to healthcare centres and set up a oxygen generation plant.

Before I close I would like to thank the corporate leadership team and all the employees for their outstanding efforts during the year. We have some of the best people in the industry working at SRF and their efforts will continue to place the company in a strong leadership position to capture the opportunities ahead. I would also like to thank my fellow board members for their support during the year, their guidance has been of immense benefit in helping us build our growth story. While the world is seeing extreme turmoil due to geopolitical tensions and lot of inflation in the major economies we at SRF are cautiously optimistic of being able to withstand any negative fallout from these developments. We are focused on the long-term opportunities that lies ahead and believe that we have extremely robust business models across all our segments. Lastly, while the worst of the pandemic may have passed us please stay safe and healthy. Thank you.

Friends there are no qualifications, observations and comments on financial transactions or matters in the auditor's report. Therefore, as per section 145 of the Companies Act the auditor report need not be read. Now, I request the operator to allow some of our members who have registered themselves to ask their queries on the annual accounts and performance of the company.



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**Moderator:** Thank you very much. We will now begin the question-and-answer session. I now invite Mr. Pradeep Sood with DP ID IN30112715633348 to unmute the audio and video and ask the questions or give comments. In the interest of time I request you to restrict your questions or comments to two minutes. Sir if you can unmute your audio Mr. Pradeep Sood. Mr. Pradeep Sood we are unable to hear you. Sir your audio is mute. Sir we will check your connection in the meanwhile we move to the next speaker shareholder Mr. Gagan Kumar with DPID IN3020611044542 to unmute the audio and video and ask the questions or give comments. In the interest of time may I request you to restrict your questions or comments to two minutes.

**Gagan Kumar:** Good morning Mr. Chairman, Board of Director and fellow shareholders. Myself Gagan Kumar I am joining this meeting from Delhi. Chairman Sir I am connected with this company for a long time whatever return our share has given is very exceptional, management has given the shareholders bonus and has given a healthy dividend for that you and your team deserve a congratulation. Most of the query I see from the balance sheet it is so transparent that no question arises related to accounts. I have one small question like the government has banned single use plastic so in this regard if you can share some thoughts and situation of international countries example Russia-Ukraine war, what impact has been done in the export share ?and I want to thank our CS who have sent us the annual report well in time and has helped us to be associated with you. Thank you so much.

**Ashish Bharat Ram:** I will answer all the questions once I have heard all the shareholders.

**Moderator:** Thank you. I now invite our next speaker shareholder Mr. Amar Maurya Authorized Representative of Locus Advisory Service Private Limited with DP ID client ID 1601010000552637 to unmute your audio and video and ask the questions or give comments. In the interest of time may I request you to restrict your questions or comments to two minutes.

**Amar Maurya:** Sir thanks a lot for giving me the opportunity. This is Amar Maurya I am representing PMS Call AlfAccurate Advisors. So, Locus Advisory is one of our clients and we are happy shareholders of SRF and as a fund we are overweight on SRF from long time and prior to this when I was working for Emkay Global as a Research Analyst SRF was one amongst our subject of interest. So, I have been tracking this company for almost more than 7 years to 8 years and so you had delivered a phenomenal performance with a strong track record and I always tell to all my fund managers at that point of time whom I use to service saying that SRF has a capability to do 1,000 crore CAPEX which is very rare at least in Indian corporate world to execute that quantum of CAPEX every year successfully. So, sir I have two questions first is on the specialty chemical what I understand here is that you are already approaching to the historic peak level of kind of a fixed asset turnover ratio which is 1.2 times with a revenue of around 3,100 crores and gross block of around 2,600 crores in FY22. So, at this peak fixed asset turnover ratio I mean are we planning to introduce some mega CAPEX in core specialty chemical business that is number one question. Number two is you can also help us understand what is the current utilization of a



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land in Dahej and how much further we can utilize the Dahej land from here on these are two questions. Thanks a lot for giving me the opportunity.

**Ashish Bharat Ram:** Thank you Mr. Maurya.

**Moderator:** Thank you. I now invite our next speaker shareholder Mr. Pradeep Sood with DP ID client ID IN30112715633348 to unmute your audio and video and ask the question or give comments. In the interest of time sir may I request you to restrict your questions or comments to two minutes.

**Pradeep Sood:** Chairman Sir thank you very much. This is Pradeep Sood from Delhi I am very glad that you have given me the time to speak. Chairman Sir since all these years we have seen that you with strong devotion and dedication have been working for the company and with that efforts share price have reached a new height and also receive good dividend every year we wish that you continue to work with same dedication along with all the board of directors and continue to give great result for shareholders. Chairman Sir I would like to praise our share department and especially our Company Secretary. They do a commendable job and they remain in touch with all the shareholders. Whenever any grievances happens they attend to it and respond and solve it on priority. I am thankful to the Company Secretary and his whole team for being in touch with all the shareholders and by listening to all the grievances with this company.. So, Chairman Sir once again I congratulate to all the board of director and with new belief that in the coming times we will continue to give the results and we expect that Chairman Sir will announce 200% dividend and through NSDL Platform the way you have helped us to come to this platform and our Company Secretary I am very thankful to you and team forexplaining point to point and steps to be associated with the platform Thank you very much

**Moderator:** Thank you. That was the last speaker shareholder. Over to you Chairman Sir.

**Ashish Bharat Ram:** Thank you. So, I have got questions from two people one was related to the single use plastic and as far as our product portfolio is concerned it does not fall under the single use plastic criteria. So, we do not see any risk emerging from there. As far as the Russia-Ukraine war is concerned our exposure to that part of the world has been very limited and it will not make any material difference to a business going ahead. However, I must say as far as our Hungary plant is concerned it is dependent on Russia for energy and we have seen substantial increases in cost of energy in Europe. So, we do see that our performance in Hungary will undergo a negative change going forward. It is a challenge that we will have to deal with and hopefully over the next few months we will see whether we can find some answers.

Coming to the question on specialty chemicals I think while you spoke about the capital to investment ratio. Our perspective has always been that we look at our return on capital which is a more important aspect for us depending on product profiles you can have products which can give you a high turnover in the capital, but on the other hand not necessarily the same return.



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However, having said that we are now running at I would say over 100% capacity as far as specialty chemicals is concerned and you will possibly hear about potential investments going forward to make sure that we are able to leverage on potential growth.

As far as land in Dahej is concerned to give you a rough idea I think we have now got to a level of around 70% of land that has been consumed. We still have 30% available, but we are now on the lookout for new tracts of land because development of any new land is a process of two to three years . I think that answers all the questions and thank you to the shareholders for putting these up. I now request all the members who have not voted through remote eVoting to cast their votes through eVoting. This facility would be open for another for a period of another 30 minutes. Mr. Arvind Kohli, Company Secretary in practice is appointed as a scrutinizer for the AGM and the results would be declared today. Thank you all for attending this meeting.

**Moderator:**

Thank you members of the management. The icon for eVoting is available on the screen which will redirect you to a separate window on the eVoting portal of NSDL. The eVoting facility will be active for next 30 minutes. Thank you. Dear members as advised by the scrutinizers the time for eVoting has elapsed and that all members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at the AGM. This concludes the proceedings of the AGM. Thank you all for participating in the AGM and eVoting.