

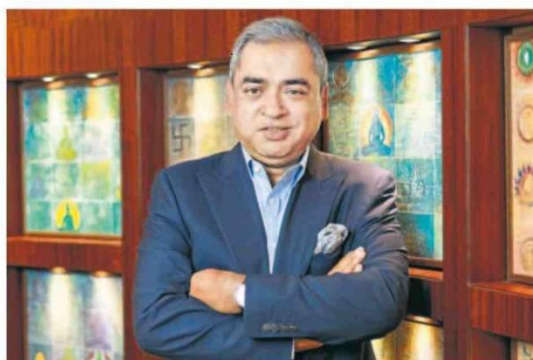
## SRF plans to make India chemicals hub

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As India's domestic growth after the pandemic exceeds expectations, Gurugram-based chemical manufacturer SRF Ltd is working on a plan to develop supplies for various chemicals from within the country, a top executive at the company told *Mint* in an interview.

As part of the plan, the company is boosting its research and development capabilities with an investment outlay plan of ₹2,500 crore for the current fiscal, focused mostly on the chemical vertical of the business.

"We are still dependent on China for so many of our chemicals, but with our economy now getting to a certain size, the theme of import substitution becomes much more of a viable option. So, there are chemicals that we believe that



Ashish Bharat Ram, CMD, SRF

now India's scale is at a level where you could put up an economically viable plant to create an import substitution. We are planning on developing suppliers in India to be able to procure that from them instead...a theme which, at some stage, will become prevalent in our business strategy," said Ashish Bharat Ram, chairman and managing director of SRF.

"Like in chemicals, India is just 3% of the worldwide chemical market. So, for us as a company, it's a huge opportunity," added Kartik Bharat Ram, joint MD of SRF.

The company will make some part of its capital investments in it work towards building an ecosystem in India.

"And right now, we have around ₹2,500 crore worth of

investment going on, of which 80-85% would go into the chemical business. Mostly, it will be all internal accruals and wherever necessary we can take some debt because our balance sheet allows us to borrow wherever we must. So, it will be a mix of debt and internal accruals, depending on the cash position at that point," he added.

The company during the last fiscal year announced that it has plans to invest ₹12,000 crore in the strengthening of the company to make India the outsourcer of chemicals to the western market, which is looking for an alternative to China. The chemical manufacturer over the past decade or so, has been using an inorganic strategy to grow, but now it is focused on growing its different verticals in India organically, through a mix of internal accruals and debt.

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