

Management Discussion & Analysis

In the following pages, the Management will provide its perspective on the operating and financial performance of the company during FY24 and an outlook of the business performance in the coming years.



Businesses

SRF Limited is a Chemical-based, multi-business conglomerate engaged in the manufacturing of industrial and specialty intermediates. The company is widely recognised and well respected for its R&D capabilities globally, especially in the niche domain of Chemicals. SRF Limited is a market leader in most of its business segments in India and overseas. The company has operations in four countries namely, India, Thailand, South Africa, and Hungary. SRF has commercial interests in more than hundred countries and classifies its businesses as Technical Textiles Business (TTB), Chemicals Business (CB), Packaging Films Business (PFB), and Other Businesses.

Technical Textiles Business

During the year, the Technical Textiles Business (TTB) focussed on three important aspects, namely, expanding product portfolio, broadening customer base, and strengthening its market position in order to derisk from the flagship Nylon Tyre Cord Fabric (NTCF) from a long-term perspective. On the Business' endeavours in the area of sustainability, a large portion of energy requirements were met through clean energy sources.

We will now discuss the three segments under TTB individually -

Tyre Cord Fabrics

The NTCF market witnessed marginal growth during the year. Business increased the sales volumes of NTCF and Nylon Yarn in the domestic market with heightened focus on value-added Yarn portfolio.

During FY24, the business also successfully commissioned the capacity expansion of Nylon Yarn manufacturing for captive consumption and external sales.

Belting Fabrics

In FY24, the Belting Fabrics (BF) segment did well with healthy demand coming from the core sectors of coal, steel, and cement. These sectors grew rapidly during the year on the back of increased spending on infrastructure projects by the Government of India.

Having said that, the Belting Fabrics segment faced challenges due to cheap imports from China, leading to stress on the domestic margins. Several countermeasures were undertaken to tide over the challenges that included an increase in its high-end, value-added products (VAPs) offerings, thereby tapping into a wider customer base.

Polyester Industrial Yarn

During the year, the Polyester Industrial Yarn (PIY) performed well with strong demand from the





The Industrial Chemicals segment also witnessed increased competition due to new capacity addition from few domestic players as a forward integration strategy. Despite capacity addition and subdued demand from the Agrochemical and Pharma industries, our market share increased.

Geotextiles, Seat Belts and Belting verticals. In H2 FY24, we witnessed a surge in demand for products manufactured by quality players, to which the business responded well.

The TTB also successfully commissioned PIY capacity expansion by the end of the year and the expanded capacity is expected to be fully utilised in FY25.

Outlook

On an overall basis, the TTB is expected to deliver moderately improved results over FY24 with an enhanced focus on fully utilising capacities, reducing costs, and enhancing the portfolio of high-end, VAPs in BF and PIY. While margins will continue to remain under pressure in FY25, the increased volumes are expected to support the performance.

Chemicals Business

The **Chemicals Business** comprises two different product segments, namely **Fluorochemicals** and **Specialty Chemicals**.

Fluorochemicals

Refrigerants & Propellants and Industrial Chemicals

FY24 was a tough year for the Fluorochemicals Business. At the beginning of the year, we witnessed a weak season in the domestic market. There was stress on refrigerants' prices and volumes due to Chinese dumping in India and the international markets. In addition, the refrigerants segment saw an increase in competition from the additional capacities that were put into use in India and the Middle East. US continued to destock HFC inventory. Prices were softer; and so was the demand. Additionally, global uncertainties like the Red Sea crisis and the Israel war increased lead time and cost of freight adding to pressure on margins. However, commodity prices remained low and supported the margins. Overall, the Ref Gas business remained under pressure in the domestic and international markets.

The Industrial Chemicals segment also witnessed increased competition due to new capacity addition from few domestic players as a forward integration strategy. Despite capacity addition and subdued demand from the Agrochemical and Pharma industries, our market share increased. Moreover, the Business continues to increase its market share in the Dymel[®]/ propellant segment in the domestic and international markets, entering new geographies and broadening its customer base.

On a positive note, the Business commissioned its PTFE plant during FY24. Approvals for various grades of the product are currently underway with major domestic and international customers. The Business also commissioned the F 32 plant, along with capacity expansion of the AHCI plant.

During FY24, both the sites reported safe and stable operations. With a number of operational excellence measures in place, several plants achieved the highest-ever production in FY24. The focus of the business will be to optimise raw material sourcing, cost saving initiatives, strengthening capabilities in new product portfolio with sustainability as the priority. Overall, the business performance was stable despite various tailwinds across segments.

Outlook

In FY25, the global and Indian economy is expected to perform better than FY24. In addition, the inflation rates are expected to come down. The Indian Air Conditioning industry is expected to witness growth, as a result, we expect to see an increase in the demand for refrigerants. US market is expected to remain subdued, however, the Middle East economy is expected to do well over FY24, thereby supporting demand. Pricing pressure on refrigerants is anticipated to go down.

Industrial Chemicals segment is expected to remain stable with an improvement in demand from the Agrochemicals and Pharma industries.

In our Fluoropolymers journey, while we have done good work on bulk, we are now moving into the new grades (free flow and fine cuts) and ramping those up. This is a learning journey and the knowledge that we have attained will help us streamline our new fluoropolymer projects at a faster pace.

Overall, the business is expected to do better over FY24 with maximum utilisation of capacities and commissioning of new specialty fluoropolymers plants.

Specialty Chemicals Business

FY24 has been a challenging year for the Specialty Chemicals Business (SCB). The Business faced headwinds due to excess inventory in the market, forcing agrochemicals customers to initiate inventory rationalisation measures. In addition, a lot of capacity has come up in China, which makes the landscape more competitive. However, the Business has taken several steps to combat this onslaught and emerge stronger.

The Business actively worked on our customers' new products and their developmental projects, while ensuring the production capacities were optimally

utilised for existing products. Apart from commissioning new facilities, the team worked on cost structures, ensuring we run our plants most efficiently. In FY24, both the Bhiwadi and Dahej sites improved operational efficiency, managing an expanded portfolio of innovative products. We enhanced our capabilities and cultivated expertise in novel chemistries. Our inroads in pharma are showing positive traction. In order to seize future market opportunities, we commissioned nine dedicated facilities at the Dahej site in FY24.

During the year, the SCB secured the Board's approval to build an intermediate plant to cater to a new product, which is currently under implementation.

In addition, the Business took several initiatives towards decarbonisation, including energy optimisation and carbon footprint reduction. The Business continues to make investments toward safer, cleaner, and leaner operations, and further strengthen its sustainability initiatives.

Outlook

The SCB will continue to actively work on Agrochemicals and Pharmaceuticals segments, collaborating with global innovators to drive process development, commercialisation, and the production of complex, innovative molecules. The Business positions the customers at the core of its strategic



The dedicated R&D facilities, developmental labs, and pilot plant facilities, having many scientists and engineers are working together to achieve innovation and technology leadership at SRF. SRF continues to invest in R&D to create propositions for the future and Capital and Revenue expenditures of ₹ 121 crore was spent during FY24.

intent and aligns itself with their business initiatives. As we invest in emerging technologies, operational excellence remains our pillar of strength, propelling us towards sustainable growth and market leadership. Our journey is driven by our core values, purpose, innovation, and firm dedication to excellence.

Chemicals Technology Group

The Chemicals Technology Group (CTG) remains steadfast in its mission to introduce innovative technologies and cost-effective routes for existing and next-generation products in the Specialty Chemicals and Fluorochemicals Businesses.

In a challenging year for both the Businesses, CTG continued to boost its capabilities and added new technologies and processes, to support the Businesses. CTG delivered very well where technology presented itself as a challenge, when it was newly introduced and where the scale-ups and improvements were desired by both the Businesses, to improve the output and lower the costs. The Businesses owe a part of their success in terms of launching a challenging line of new products and timely scale-ups to CTG. The cornerstone of these breakthroughs was achieved by our talented team of researchers and scientists. CTG is expected to continue enhancing the capabilities and act as a bedrock of support systems to the Businesses, amid rising complexity and reduce time-to-market requirements.

For over two decades, CTG has enabled the Business growth in Fluorinated molecules and now it continues to engage in introducing new chemistries, platforms, and the development of complex, challenging, and innovative products to address the needs of our customers and the market. CTG is at the forefront of continuous process improvements and developing more efficient processes by utilising novel chemistries and scaling them up for successful commercialisation. In view of its crucial support to the growth of the

Businesses, efforts will be made to enhance CTG's capabilities and support systems. This has enabled both the Businesses to have continuous development of innovative products in their pipeline of future products and continue their journey of excellence going forward.

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R&D worked on over 44 molecules and many products were successfully taken up for process development. More than 34 molecules were taken up for the scale-up studies and 70% were commercially produced in multipurpose and dedicated plants.

In FY24, CTG filed thirty-seven patents, taking the total count to four hundred and forty-three patents filed so far. Seventeen patents were granted in FY24, taking the total count of patents granted to the company to one hundred and forty-nine.

Packaging Films Business

FY24 was a challenging year for the Packaging Films Business (PFB). Market conditions were extremely difficult, and margins continued to be under pressure for both BOPET and BOPP Films.

Overall, the Business achieved its highest-ever packed production. Intensive cost rationalisation and enhancing business profitability by strengthening VAPs portfolio have been major thrust areas to survive the industry onslaught. Cohesive team effort and complete goal-alignment helped SRF perform better than its competitors. The Business successfully commercialised many VAPs in BOPET and BOPP during the year.

Energy prices have stabilised in Hungary, which should give us some respite and we expect the performance there to improve. However, till the overall BOPET cycle changes, things will remain under pressure.

In January 2024, Business commissioned its Aluminium Foil plant at Jetapur, Madhya Pradesh. Work on the upcoming Capacitor Grade BOPP Film project in India is also progressing as per schedule.

The Business is driven by its philosophy of – Easy To Do Business With (ETDBW) and the team remains focussed on serving customers well every day. Sustainability continues to be amongst the top priorities for the Business. Reaffirming its commitment towards sustainability, SRF successfully secured ISCC+ certification for its manufacturing sites at SEZ and DTA in Madhya Pradesh, India. Further, we are making steady progress in completing the registration process to comply with new Plastic Waste Management rules.

Outlook

Margins in both BOPET and BOPP are likely to remain under pressure as new lines have been added and some more lines are in the pipeline. In FY25, SRF's primary focus will be on enhancing our profitability by further strengthening VAPs, improving capacity utilisation and cost rationalisation. We will commission our new Inline Coating machines in Thailand and

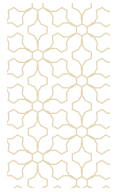
India and leverage our capabilities fully to further enhance our VAPs portfolio. Ramping up Aluminium Foil Business will be an important focus area for the Business in the coming Financial Year (FY). We will continue our work on various sustainability initiatives driven by the '3R' approach - Reduce, Reuse and Recycle. During the year, we plan to complete the registration process in compliance with the new Plastic Waste Management rule, secure ISCC certification for other manufacturing sites and strengthen our portfolio of sustainable products.

Other Businesses

Coated and Laminated Fabrics Businesses

FY24 was a good year for the Coated Fabrics Business. Domestic demand, particularly for VAPs remained strong, which helped the Business achieve its highest-ever domestic sales. Business made the highest-ever EBITDA during the year. In response to the growing demand, SRF expanded its textile capacity by adding four new looms during the year. We continued to maintain our domestic market leadership in Coated Fabrics. Business also continued its price and volume leadership in the Laminated Fabrics Business by selling at full capacity and achieving its highest-ever sales during the FY. However, margins remained under pressure in Laminated Fabrics as cost increases could not be passed on completely to the customers due to excess supply.





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Outlook

In FY25, we expect the demand to remain strong for both the Coated Fabrics and Laminated Fabrics Businesses. In Coated Fabrics, the focus will be to enhance capacity, strengthen our VAPs portfolio and increase sales during the year. In Laminated Fabrics, we will be commissioning our new Hot Lamination Machine, which will replace the existing Cold Lamination machine to help us cater our customers with a better product offering. The Business will also continue to work on various cost reduction initiatives for both the businesses.

Human Resources

As the organisation commemorates 50 years of manufacturing excellence, we are filled with pride, realising that we have come a long way from our humble beginning. As we celebrate this milestone and reflect on our journey so far, the one overpowering emotion that takes centre-stage is gratitude. Gratitude for every single person who has ever been a part of this journey, whether as a customer, vendor, adviser, auditor, or an employee. Amongst all the gratefulness, the biggest debt is towards our employees who have tirelessly worked towards building an extraordinary organisation.

The Human Resources function has forever focussed on building an exceptional organisation that is full of promises of an even brighter future. The key is knowing that it is our people that form the organisation, and it is the remarkable efforts of these people that make the organisation 'Great'. Hiring the right people, providing them a conducive environment that supports them in unleashing their potential, and developing them to achieve even greater heights remained at the forefront for HR.

For SRF, not just ensuring a diverse workforce but also being inclusive in its true sense was the guiding light while taking decisions pertaining to people. The desire to build a workplace that is safe and free from all forms of biases, pushed us further and further.

Introduction of new benefits and more progressive policies around subsidising health and wellness of our people was warmly welcomed by our people. Being proactive in our approach towards our employees' needs helped us earn the reputation of a trusted employer of choice and enabled us to emerge as a strong brand amongst the talent pool. We now have a well-articulated Employee Value Proposition that appeals to all generational personas.

Changing winds necessitated personalisation of HR offerings leading to our new-age learning solutions being completely customised. The year ahead may witness a similar stance in several other areas and may also see a lot more communication around this. While the HR systems are already highly automated, the existing automations may undergo further personalisation.





As we migrate to the cloud, we will be in a better position to test and deploy evolving technologies like Generative AI which is in the list of technologies we are tracking.

In the last five decades, the organisation has seen tremendous growth, and the overall experience of each individual is now governed by the one-to-one relationships that employees enjoy at the workplace. Appreciating and acknowledging that it is the manager who plays a major role in an individual's happiness, a keen focus on developing and enhancing this eco-system remained an integral part of the HR agenda.

As we continue our journey of growth at SRF, we remain committed to strengthening a performance-driven, fair, and transparent organisation.

Industrial environment

The organisation's overall employee relations remained positive throughout the year. Understanding them and keeping employees' need ahead in all major decisions resulted in a more engaged, motivated, involved and committed workforce. Various initiatives were implemented at the plant locations that encouraged collaboration and participation of not just employees but also of their families. We maintained a pleasant and cordial working environment across all manufacturing locations.

The total number of permanent employees at SRF and its subsidiaries/parent company stood at 8,991 at the close of business on March 31, 2024. Of these, 8,241 were based at our Indian locations.

Information Technology

SRF continued its journey of automating processes using traditional systems as well as modern technology tools towards enabling a productive workforce working on lean, efficient IT-enabled processes, securely integrated with external stakeholders like customers, suppliers, banks, GSP providers, logistics partners. We are now exploring the impact that AI tools can have on optimising the processes and outcomes.

IT security and resilience was a major focus area considering the heightened threats against Indian enterprises. We made further enhancements on

most aspects of Information Security covering Identity and Access management; Privileged User Access and monitoring; Network segmentation and micro segmentation; Perimeter security; Backup management; Vulnerability assessment and patching; Data Privacy & Security, API management. We are closely monitoring the evolving threats and taking necessary steps to prevent, detect, isolate, mitigate any incident.

After finishing all the application modernisation projects, we have now started our project to migrate most of our applications to a hybrid cloud setup. This is part of our strategic initiative to provide scalability for anticipated growth, build resilience while utilising additional services on the cloud like data warehousing, data lakes, AI/ML for digital transformation. After a thorough assessment, we have tied up with two cloud providers where we are setting up our datacentres and migrating applications best suited for the specific environment. The first round of testing is underway and the project is expected to be completed in H1.

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Community Partnerships

In alignment with its enduring dedication to sustainable and inclusive community development, the SRF Foundation, the Corporate Social Responsibility wing of SRF Limited, has broadened its initiatives and implemented tangible measures in accordance with Section 135 of the Companies Act 2013 for FY24. This strategic expansion underscores the Foundation's unwavering commitment to fostering positive social impact and upholding corporate responsibility standards within the community.

The Foundation continued to focus on the identified areas of Education, Vocational Skills, Health Promotion, Environment, Disaster Management Promotion of Arts and Culture on a sustainable basis. Moreover, it

strengthened its Public Private Community Partnership (PPCP) model to positively impact people's lives.

In FY24, the Foundation's Education Programs experienced significant growth and enhancement. The efforts of SRF Foundation were dedicated towards revitalising Government schools, elevating them into exemplary educational institutions known as "Model Schools". This transformation was achieved through focussed initiatives in physical infrastructure development, digital integration, academic enrichment, and the cultivation of effective school leadership.

Currently, our impact extends to 447 Government schools located across 24 regions within 12 states and 1 UT. Through direct and collaborative efforts with like-minded partners, we have been able to provide quality education to a student population of 1,67,350 individuals. Furthermore, our rural education programmes have equipped 2,266 teachers and 447 headmasters with the necessary skills and knowledge to foster a conducive learning environment within these schools.

In order to promote digital inclusion, the SRF Foundation has implemented a number of initiatives in various intervention locations. These include World on Wheels & SmartShiksha Mobile Digital Labs, Common Services Lab, and Digital Smart TV Classroom Programmes. These programmes aim to

provide access to digital technology and education to underserved communities. Furthermore, the SRF Foundation is dedicated to transforming schools into hubs of innovation by offering future skills programs such as the Tinker Coding Program, Atal Community Innovation Centres, and ATAL Tinkering Labs. These programs are designed to equip students with the necessary skills and knowledge to thrive in the digital age.

Apart from school education, this year, the SRF Foundation initiated the 'Anganwadi Development Program,' aimed at improving the quality of Early Childhood Care and Education in line with the National Education Policy (NEP) 2020, which had a direct impact on 13,244 children from 309 Anganwadis across 7 locations.

Regarding vocational skills, the SRF Foundation integrated school dropouts, unemployed youth, and women into the mainstream workforce by equipping them with appropriate skills to meet the demands of the supply chain. Through the vocational skills programs, such as the Basic Electrician Training Program, Basic Computer Literacy Program, Spoken English Program, and Nari Shakti Program, we have trained 1,620 unemployed youth and 328 women across 13 locations in 8 states, and approximately 70% of them have been placed in national and multinational companies.





The company has a well-established independent Internal Audit & Risk Management function which drives and coordinates for the Internal Audits, Internal Financial Controls and Enterprise Risk Management System.

SRF Foundation undertook several new initiatives to improve employability, health, and digital skills among the community. We introduced 'SmartShiksha' mobile digital labs in Mewat, Bharuch, Kamrup (M), Dhar, and Kashipur, offering a mobility solution to bridge the digital divide in rural locations. By partnering with Microsoft and Shell, we introduced 'Skills for Livelihood – Digital Skills for ITI & Polytechnics (non-IT trades)', which will benefit 5,215 ITI and Polytechnic students in skill development and employability across various parts of the country.

In order to promote community health, we have two programs: the 'Rural Health Program (RHP)' and 'SRF Swasthya Seva'. The RHP focusses on improving medical practices at a primary health centre in Nalcha (Dhar) according to the 'kayakalp standard'. Additionally, our mobile health van, 'SRF Swasthya Seva', will be visiting 15 different villages around the Dahej plant in Bharuch to provide health awareness, diagnose issues, and offer treatment for diseases within the community.

Furthermore, in collaboration with Amway and Opportunity International, we have the 'Power of 5' project in Sohna (Haryana) and Chennai (Tamil Nadu) to support child nutrition. These initiatives aim to address the healthcare needs of underserved communities and improve overall well-being. Through the Power of 5 program, the SRF Foundation aims to eradicate childhood malnutrition by empowering communities.

Through the Natural Resource Management (NRM) program, the SRF Foundation continued to support economically weaker families in the vicinity of its Bhiwadi, Rajasthan manufacturing plant by adopting a watershed-based livelihood and environmental conservation approach. In FY24, this program directly benefited over 8,100 families in the Tijara block surrounding the SRF Bhiwadi plant. This region receives below-normal rainfall, but the NRM program

has helped maintain 204 earthen dams, ensuring their proper utilisation and providing sustainable benefits.

In the plantation project, SRF has partnered with Global Vikas Trust and has planted 3,80,300 saplings impacting 122 farmer families directly and around 150-200 farmer families indirectly in 12 districts of Madhya Pradesh.

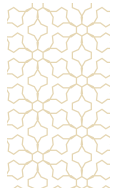
Furthermore, we undertook flood relief work in Chennai and Tiruvallur district during the Michaung cyclone. We provided rice bags to 500 families and groceries to 300 families affected by the floods. During FY24, the SRF Foundation funded nineteen NGOs for twenty-one social projects in education, sports, health, and environment.

In recognition of our efforts in education programmes, the SRF Foundation was honoured with six prestigious awards during the year. Some noteworthy awards include the CSR Journal Excellence Award 2023, the Bhamashah Award 2023 for CSR intervention in Education (Rajasthan), and the ICC Social Impact Award 2023 for the promotion of education, among several others.

Internal Control System and Internal Audit

The company has a well-documented system of internal financial controls in place commensurate with its size, scale, and complexity of operations. These controls have been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets, executing transactions with proper authorisation, and ensuring compliance with corporate policies.

The company has a well-established independent Internal Audit & Risk Management function which drives and coordinates for the Internal Audits, Internal Financial Controls and Enterprise Risk Management System. These frameworks are



The company has established a risk management framework to identify, assess and frame a response to threats that can affect its business objectives and stakeholders.

supported by a well-defined organisation structure, roles and responsibilities, documented policies and procedures, financial delegation of authority, ERP controls, among others.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the company, the ERP solutions, the accounting procedures, and policies at all locations.

Internal Audit reviews are conducted on an ongoing basis, based on a comprehensive risk-based audit plan commensurate with the size and nature of business activities of the company. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the said plan. Any significant audit observations and corrective actions thereon are presented to the Audit Committee which reviews the reports submitted by the Internal Auditors (both internal and external) in each of its meetings. Based on the gaps reported in the internal audit report, process owners undertake corrective actions in their respective areas and thereby strengthen the internal control framework. In addition, the statutory auditors also obtain reasonable assurance on the adequacy and operating effectiveness over the company's internal financial controls with reference to financial statements as a part of their annual audit exercise.

A robust Control Self-assessment (CSA) process enables process owners to perform self-assessment

and promote self-compliance in accordance with laid down policies and procedures, regulatory environment through IT-enabled platform such as CSA tool and Compliance Manager.

Risk Management

The company has developed and implemented a Risk Management Framework, which is approved by the Board. Further, Board has constituted a Risk Management Committee (RMC) to oversee key risks and assist the Board in efficient management of risk management process.

The Risk Management Policy, inter alia, includes identification therein of elements of risk, including those, which in the opinion of the Board/RMC may threaten the existence of the company or may have a significant material impact. Risk management process has been an integral part of the company strategy and planning process. The company has established a risk management framework to identify, assess and frame a response to threats that can affect its business objectives and stakeholders. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation. The responsibility of tracking and monitoring the key risks of the business/function periodically and implementing suitable mitigation plans proactively is with the senior executives of various business/functional units.

Risk Management Process



Risk Governance Structure



The key roles and responsibilities regarding risk management in the company are summarised as follows:

1. Board of Directors (BOD) & the Audit Committee:

- The Board of Directors hold the overall responsibility for an effective risk management system. The Audit Committee of the Board examines the appropriateness and effectiveness of the risk management system at least once a year and reports to the Board
- Review the risks that may threaten the existence of the company
- Consider the recommendation of Risk Management Committee on Risk Management Plan/Policy

2. Risk Management Committee (RMC):

- Overview company's risk management framework and its compliance
- Identifications of key risks which may significantly impact the performance of the company
- Assist the Board/Audit Committee in evaluating the effectiveness of Risk Management System

- Review of policy, key risks as identified by the management, provide guidance to the management, and update the Board & Audit Committee on the same

3. Corporate Leadership Team (CLT):

- Develop risk management framework and policy
- Review key risks and mitigation action plan
- Review effectiveness of risk mitigation strategies, develop counter measures, if any, and update the same to RMC

4. Business Leadership Team (BLT) & Risk Owners:

- Identification, classification, and prioritisation of risks into high, medium, and low as per risk management framework
- Identify and implement risk mitigation measures
- Periodically review mitigation measure status, develop counter measures, if any
- Provide status update of key risks to the CLT

Risk Classification

All risks have been broadly classified into the following categories:

Sustainability including ESG Risk

Risks arising out of macro-economics and other external conditions which can significantly impact the company's strategic business decision, future aspiration, and financial performance

Operational Risk

Risks of loss due to inadequate manufacturing process, insufficient resources, inadequate processes, safety or failure thereof, insufficient skill or people

Regulatory Risk

Risks arising out of regulatory non-compliances

Financial & Reporting Risk

Financial reporting risk arises from the evolving accounting and financial reporting requirement, increasingly complex business model, etc.

IT and Cyber Risk

Potential loss due to non-availability of technical infrastructure or appropriate software technology, impact on data integrity, data theft or loss of Intellectual Property Right (IPR) due to compromised network security

Sectoral

These are the risks arising out of uncertainty with respect to changes in the economic and financial scenarios that are unique to a sector or industry

Sustainability including ESG Risk

These are the risks arising out of environmental, social or governance events or conditions that, if it occurs, could cause an actual or a potential material negative impact



During FY24, significant changes in the key financial ratios as per listing regulations were as follows:

Ratio	FY24	FY23	% change	Reason
Interest Coverage Ratio = (EBIDT - Current Tax) / Gross Interest and lease payments	7.35	13.10	-43.89%	Interest rates witnessed an uptrend during FY24 due to increased benchmarks, both INR and USD. Higher debt led to additional interest outgo. EBITDA was lower than last year leading to some deterioration in the overall ratio
Return on Net Worth = PAT / Net Worth	13.07%	21.87%	-40.24%	Lower PAT due to business scenario in the current financial year

2017



Packaging Films Business Domestic Tariff Area, Indore Site

SRF's Packaging Films Business set up a BOPET and BOPP films manufacturing facility at the Domestic Tariff Area (DTA), in Indore, Madhya Pradesh to tap the growth of the flexible packaging sector in India.