



SRF Limited

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Strong Progress at SRF'S CDM Project

UNFCCC (United Nations Framework Convention on Climate Change) issues 1.29 million Carbon Credits (CERs) to SRF, largest single issuance globally, till date.

Total Carbon Credits issued to SRF, till date aggregates to 1.83 million.

SRF accounts for more than half of the total global Carbon Credits issuances, till date.

Intends to realize around Rs.85 Crs by transfer of 1.4 million carbon credits during the current quarter

Further Sales of 4 Million CERs Planned

New Delhi, February 17, 2006: SRF Limited today announced that they are planning to sell up to a further 4 million CERs, on the back of strong progress with their CDM project and early deliveries against existing forward sales of CERs.

The implementation of SRF's CDM project for the incineration of HFC – 23 by thermal oxidation is well ahead of its planned schedule. The company had initially planned to receive its first cash flows from the project during the '06 – '07 financial year. However, following early commissioning and registration, it now expects to realise approximately Rupees 85 crores (based on the current market prices) this quarter by transfer of 1.4 million CERs during 2005-06.

Following a second issuance to the project on February 15, a total of about 1.83 million CERs have been issued to the project, accounting for more than half of all CERs issued by the CDM Executive Board to date.

During 2005 the company entered into various contracts with well known partners in the EU for the forward sale of 1.4 million CERs. The company now expects to transfer these CERs to the buyers by March 2006, ahead of the contract dates.

Commenting on the utilisation of funds Mr.Ashish Bharat Ram said 'We have commitments under the project towards sustainable development, which will be our foremost priority. Beyond that there will be adequate opportunities to pursue organic and inorganic growth in our core businesses.'

On the back of these successes, SRF today announced plans to sell up to a further 4 million CERs. Its financial advisers, PricewaterhouseCoopers, are already in discussions with potential buyers in Europe and elsewhere.

SRF's CDM Project Highlights:

- The project was registered by the UNFCCC on December 24, 2005.
- The project is expected to achieve up to 3.8 million CER per annum.
- SRF has been storing HFC 23 since July 1, 2004.
- SRF started the incineration process in late August 2005.
- Total 1.83 million CERs have been issued, till date.
- The sustainable development activities under the project have commenced in the areas of Education and Health. A detailed plan is under preparation for the Natural Resources Management initiative.
- The project currently has 7 project participants from Europe:
 - Barclays Bank, UK
 - Climate Change Capital Carbon Fund, UK
 - EDF Trading, UK
 - ICECAP Limited, UK
 - Kfw, Germany
 - Shell Trading International Limited, UK
 - Solvay Fluor, Germany

About SRF Limited

SRF Ltd, a leading industrial group, manufactures Technical Textiles, Fluorochemicals, Packaging Films and Pharma Chemicals. Commencing operations in 1974, SRF today operates from eight plant locations in India and abroad and has attained market leadership position in Nylon Tire Cord Fabric (8th largest in the world & approx 36 per cent market share in India), Belting Fabrics (2nd largest in the world & approx 60 per cent market share in India) Refrigerant Gases and Chloromethane (approx 40 per cent market share in India). Currently, SRF's products cater to industrial customers in more than 55 countries globally. SRF's relentless focus on TQM techniques has resulted in the company winning the prestigious Deming Application Prize in 2004 (the first nylon tyre cord company outside Japan to be awarded this prize).

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Note:

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