



27<sup>th</sup> July, 2020

**SRIKALAHASTHI PIPES LIMITED**  
**28<sup>TH</sup> ANNUAL GENERAL MEETING**  
**CHAIRMAN'S SPEECH**

Dear Shareholders,

It gives me great pleasure to welcome you to 28<sup>th</sup> Annual General Meeting of the Company. I trust you & your dear ones are staying safe and are taking all the necessary precautions against the backdrop of the global pandemic.

The Financial Statements and the Directors Report for the year ended 31<sup>st</sup> March, 2020, have been with you for some time and I am sure it would have given you a clear picture of the working of the Company in the year under review as well as the future prospects.

During the FY 2019-20, your company has produced 2,93,491 MT of Ductile Iron Pipes, which is marginally lower by 5,023 MT compared to the FY 2018-19, which is attributable to the loss of production for 9 days from 23<sup>rd</sup> March 2020, due to temporary suspension of operations, owing to nationwide lockdown declared by the Central and State Governments to prevent the spread of COVID-19.

During the year under review, as envisaged, the expansion plans to install new MBF, 1200 Dia pipe and creating additional balancing facilities to increase production capacity of DI Pipes have been started by the Company. Commissioning of Additional Facilities like Cement Lining Machine, Sand Blasting System and Storage facilities and Cranes in connection with capacity addition of DI Pipes have been completed. Further, your Company has commissioned both the furnaces of Ferro Alloys Plant and these are operating successfully.



We are glad to inform that during the FY 2019-20, your Company has reported Profit Before Tax (PBT) of Rs.236.52 Crores, which is higher by 47.79% compared to FY 2018-19. The improved performance of your Company is predominantly attributable to lower raw material cost, higher sales realization with an optimum product mix coupled with various cost reduction measures.

Your Company continues to maintain its track record of dividend and I am glad to inform you that your Directors have recommended a higher dividend of Rs.7/- per equity share of Rs.10/- each for the financial year ended 31st March, 2020 as against Rs.6/- per share declared for the FY 2018-19.

With respect to ongoing projects, as most of the machinery and equipment in connection with new MBF and DI Pipes expansion projects are to be imported, owing to COVID-19 pandemic, already, there was a delay of about six months in the execution of these projects. The estimated completion schedule is expected to be first quarter of 2021-22.

Your Company has always ensured that it protects and cares for the environment and strives continuously to mitigate the environmental impact that may arise from its activities such as effluent and solid waste management, environment monitoring and reporting and up-gradation and sustenance of environment management systems. As part of its green initiative, your Company during the year has developed further green belt across the Plant.

The employees of your Company have been the backbone of sustained improvement in the performance of the Company over the period. I believe that continuous development of its human resources fosters competitive advantage. It has been the prime focus of the Management to keep high morale and motivation at all levels of



employees of your Company. During current challenging times under COVID, your company is fully supportive to the employees and is concerned for their well being.

Your Company, as a responsible corporate, are fighting the COVID 19 battle unitedly. The Company has contributed to CM Relief Fund and also distributed food grains, vegetables, sanitizers and face masks to the residents of villages situated around the Company's facility. At this juncture when the Covid 19 cases are going up day by day, I urge we all should take necessary precautionary measures to stop this infection.

I appreciate the trust reposed by the shareholders in the Board and the Management team which has encouraged to take more and more challenges. I am confident that the Company will improve its performance further in the coming years with your continued support and encouragement.

I also take this opportunity to thank our employees, Bankers, Central and State Government's machineries and other stakeholders for their continued support.

**CHAIRMAN**

27<sup>th</sup> July, 2020