



SRIKALAHASTHI PIPES LIMITED

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PRESS RELEASE

The Board of Directors of Srikalahasthi Pipes Limited approved the un-audited financial results for the quarter ended 30th June, 2018 at its meeting held today at Chennai.

Mr. G.S.Rathi, Whole-time Director, while briefing about the financials said that the profit before tax for the quarter ended 30th June, 2018 was Rs.21.17 crores, compared to Rs.50.32 crores reported in the corresponding quarter of previous year. The Profit after tax for the quarter under review is Rs.17.29 crores as against Rs.36.44 crores in the same quarter of the previous year.

Mr. Rathi informed that the main reason for the lower profitability during the quarter is due to technical issue in MBF since mid May, 2018, which has since been addressed after taking shut down of about 12 days in the month of June, 2018 resulting in lower production and higher cost. It is heartening to note that post relining the operations of MBF has stabilized and running efficiently. The Company is hopeful of recovering the loss of production in the coming quarters. The profit was further affected by the increase in the main raw materials i.e. coal, iron ore and Ferro silicon prices.

Mr. Rathi informed that the Board has decided to replace the existing Mini Blast Furnace by installing a new mini blast furnace (MBF) of 350 M3 / 400 M3 to have liquid metal capacity of over 1000 tonnes per day in the existing location. The same will be synchronized with existing facilities. To utilize the surplus liquid metal available from the new MBF, the company has decided to install facilities for manufacturing of Small Dia Ductile Iron Pipe capacity of 1 lakh MT per annum. He further informed that the detailed project report (DPR) is being worked out and final decision will be taken shortly.

The Company's project for installation of additional Coke Oven battery for expansion of capacity was successfully commissioned during the quarter under review and the project for installation of additional boiler is in advanced stage of completion and shall be in place by end of 2nd quarter of this fiscal year. As regards the proposed Ferro Alloys project, he informed that pre-project start up activities are going on and the project is expected to commence in the current quarter.

He also informed that backed by the continued emphasis given for water infrastructure development and irrigation sector, the demand for Ductile Iron Pipes is expected to be stable, resulting in healthy order book position and the Company is hopeful of maintaining its performance.

Chennai
30th July, 2018


(G. S. Rathi)
Whole Time Director

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