



# SRICALAHASTHI PIPES LIMITED

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## PRESS RELEASE

The Board of Directors of Srikalahasthi Pipes Limited approved the audited financial results of the Company for the year and quarter ended 31<sup>st</sup> March, 2021 at its meeting held on 4<sup>th</sup> May, 2021

The profit before tax for the quarter ended 31<sup>st</sup> March 2021 was Rs.54.70 Crores, as compared to Rs.63.99 Crores for the corresponding quarter ended 31<sup>st</sup> March, 2020. The profit before tax for the year ended 31<sup>st</sup> March, 2021 was Rs.145.42 Crores as against Rs.236.52 Crores in the previous year ended 31<sup>st</sup> March 2020. The Profit after tax for the year ended 31<sup>st</sup> March 2021 is Rs.103.65 crores as against Rs.187.67 crores in the previous year ended 31<sup>st</sup> March 2020.

The Board of Directors has recommended a dividend of Rs.6 per share (60%) for the FY 2020-21.

Mr. G S Rathi, Whole Time Director of the Company while briefing about the financial results informed that the decline in the profitability of your Company during the year under review is largely attributable to lower volume of production on account of Covid 19 pandemic.

He further informed that during the FY 2020-21, the company has lost production during entire April'20 due to shutdown of the plant following nationwide lockdown imposed by the Central Government to contain the spread of Covid pandemic. Though, production has started in a phased manner from 1<sup>st</sup> week of May, 2020, due to absenteeism consequent to the nationwide lockdown, plant could not be operated at full capacity till August, 2020, which has resulted in lower production during the year under review compared to FY 2019-20. The production of Ductile Iron Pipes for the entire year 2020-21 was 2,37,156 tonnes as against 2,93,491 tonnes during the earlier year 2019-20.

As regards the status of ongoing projects, Mr Rathi informed that execution of Phase I of expansion plans envisaged to install new Mini Blast Furnace, additional Hot Blast Stoves, Raw material handling system, though delayed, has reached to the stage of completion. However, due to 2<sup>nd</sup> wave of the pandemic, the proposed capital shutdown for the commissioning of new blast furnace may get slightly further delayed for mobilization of resources required for the commissioning of new MBF and the date of shut down will be intimated later.

Further, in connection with augmenting the production capacity of DI Pipes to 4,00,000 TPA in line with blast furnace production capacity, facilities like zinc coating machine for finishing line 3, new induction furnace in place of existing induction furnace 2,



upgradation of converter will be taken up during the capital shutdown for commissioning of new blast furnace. Upon completion of these facilities, the capacity of DI Pipe Plant also will be increased to 4,00,000 TPA.

As regards the impact of second wave of Covid 19, Mr. Rathi informed that the Company has been following Strict Covid protocols across all plants at its integrated facility and other business locations of the Company thereby ensuring hindrance free operations of the Company. The Company has been extending all possible assistance in this connection to all stakeholders.

Briefing on the scheme of amalgamation of our Company with Electrosteel Castings Limited, he informed that the progress of the amalgamation is on track and the NCLT, Amaravathi Bench has already ordered holding of the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the company and it will be held in June 2021.

Considering the growing economy and continued focus of the Central and State Governments to give priority and remain committed in respect of ongoing and future water supply, sewerage and irrigation projects in the country, the company is hopeful of comfortable order position.

Chennai  
4<sup>th</sup> May, 2021



G. S. Rathi  
Whole Time Director