



SRIKALAHASTHI PIPES LIMITED

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PRESS RELEASE

Srikalahasthi Pipes increases capacity from 3,00,000 to 5,00,000 TPA

The Board of Directors of Srikalahasthi Pipes Limited at its meeting held on 22nd July, 2019, has approved the unaudited financial results of the first quarter ended 30th June, 2019.

The profit before tax for the quarter ended 30th June 2019 was Rs.50.24 crores, as compared to Rs.21.17 crores in the corresponding quarter of previous year. The Profit after tax for the quarter ended 30th June, 2019 is Rs.33.37 crores as against Rs.17.29 crores in the same quarter of previous year. The production of Ductile Iron Pipe during the quarter 65,518 tonnes as against 59,555 tonnes in the corresponding quarter.

Mr. G S Rathi, Whole Time Director of the Company informed that during the quarter under review, the Company took a planned shutdown of its plant for a period of about ten days as part of routine maintenance. Similar shutdown for 15 days was taken during the corresponding quarter of previous year also.

He informed that considering the growing demand of Ductile Iron Pipes (DIP), the Board in its Meeting held on 22nd July, 2019 has approved to increase the capacity of its Ductile Iron Pipe plant from the present capacity of 3,00,000 MT to 5,00,000 MT per annum. To attain 500000 MT per annum hot metal production it is proposed to install additional Sinter Plant, increased Furnace Blowing System, additional Hot Blast Stove, Oxygen Enrichment and all auxiliaries along with higher furnace volume. In order to consume the 1400 TPD hot metal in D.I.Pipe plant, additional facilities are planned as new hot metal handling and distribution system with converter, new induction furnaces in place of existing, additional casting machines, new annealing furnace, modification and shifting of existing finishing line, additional steam curing chamber, additional bitumen coating line and creating other required infrastructures. The total investment to increase the present capacity from 3,00,000 to 5,00,000 MT per annum will be around Rs.400 crores. The Board in its previous Meeting had already sanctioned capex of Rs.145 crores and the balance capex of around Rs 255 crores is approved in this Board Meeting. The estimated time of commissioning the new Blast Furnace is 3rd quarter of 2020 and commissioning of increased capacity of Ductile Iron Pipe plant by end of March, 2021. The investment required will be met from available funds and internal accruals.

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He informed that the Ferro Alloys Project is under final stages of execution and as planned the first furnace will be commissioned by September'19 and the second furnace by December, 2019.

Mr.Rathi further informed that water is getting high attention from policy makers. After the NDA government came back to power in May, 2019, the erstwhile Ministry of Water Resources and Drinking Water & Sanitation have been merged in the Ministry of Jal Shakti in May 2019 itself. As a result, all water related departments like surface water, ground water, river rejuvenation, etc. and departments looking at the use of water have come under a single ministry, which will bring greater focus to the water supply. With the announcement of "**Nal se Jal**" scheme, the water and sanitation is likely to attract investment worth Rs.6.3 lakh crores in the next 5 years. This scheme aims to provide piped water supply to every household by 2024 is likely to lead to a massive jump in investment in water and sanitation. Considering the greater focus of Central and State Government towards piped drinking water, the company is hopeful of maintaining comfortable order book and future growth.

Chennai
22nd July, 2019




G. S. Rathi
Whole Time Director