



# SRIKALAHASTHI PIPES LIMITED

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## PRESS RELEASE

The Board of Directors of Srikalahasthi Pipes Limited approved the audited financial results for the quarter and year ended 31<sup>st</sup> March, 2019 at their meeting held at Chennai on 8<sup>th</sup> May, 2019.

The profit before tax for the quarter ended 31<sup>st</sup> March was Rs.47.43 crores as against Rs.45.91 crores for the corresponding quarter ended 31<sup>st</sup> March 2018 of the previous year. The profit before tax for the year ended 31<sup>st</sup> March 2019 was Rs.160.05 crores, as compared to Rs.200.93 crores in the previous year ended 31<sup>st</sup> March 2018. The Profit after tax for the year ended 31<sup>st</sup> March 2019 is Rs.117.54 crores as against Rs.147.40 crores in the previous year ended 31<sup>st</sup> March 2018.

The Board of Directors have recommended a dividend of Rs.6/- per share (60%) for the financial year 2018-19 also as distributed in the previous year.

Mr. G S Rathi while briefing about the results of the company, informed that the lower profitability is attributable to higher raw material cost especially Coking Coal, Iron Ore, depreciation of rupee against dollar coupled with lower realization on account of old orders on Firm prices. However, the Company is hopeful of improved working during the Financial year 2019-20 in view of higher demand of D.I. Pipes in Andhra Pradesh where the plant is situated.

While briefing on the Capex plans of the company, Mr. Rathi informed that implementation of 55 crores Ferro Alloys project initiated during the year is as per schedule and the first furnace will be commissioned by September, 2019 and the second furnace by December, 2019. The Rs.70 crores Capex in the Ductile Iron Pipe plant, mainly the additional Annealing Furnace, modification of Finishing Line and Spinning machine to produce Ductile Iron pipes upto 1200 mm dia are in progress and will be operational by June 2020. The Capex plan of 75 crores to put up new Blast Furnace of 380M<sup>3</sup> is also under implementation and it is likely to be operational by end of September quarter of financial year 2020-21. On successful completion of these projects, the capacity of Ductile Iron pipe plant shall increase from 3,00,000 to 3,50,000 TPA.

Mr. Rathi informed that the concept of water grid project for the entire state is gaining ground. Similar to the BHAGIRATHA water grid project of Telangana, the government of Andhra Pradesh has started implementation of JALDHARA water grid project to provide potable water in the State. Further, implementation of Amaravati Capital project and providing industrial water to SEZ areas in Nellore, Srikalahasthi and Naidupet areas in Andhra Pradesh will generate additional demand of Ductile Iron pipes. The company will be benefited by these upcoming water supply projects in Andhra Pradesh and increased capacity will be helpful in meeting the demand timely. The focus of the Central Government for potable water supply, 100% sanitation coverage in India, ambitious housing plan for the economically weaker section of the society, Swatch Bharat Mission and implementation of irrigation projects by pipeline will generate higher demand in all States and hopeful of maintaining around 15% growth.

Chennai  
8<sup>th</sup> May, 2019

G. S. Rathi  
Whole Time Director

### **Regd. Office & Works :**

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