



## SRIKALAHASTHI PIPES LIMITED

Regd. Office & Works: Rachaguneri-517641, Srikalahasthi Mandal, Chittoor District, A.P.,  
Ph.:08578 286650 to 55; Fax: 286657/88 E-mail : [companysecretary@srikalahasthipipes.com](mailto:companysecretary@srikalahasthipipes.com)  
Website : [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com), CIN : L74999AP1991PLC013391



SPL/SECY/SE/2020-21

1<sup>st</sup> June, 2020

The Manager-Dept. of Corporate Services

**Bombay Stock Exchange Limited**

Regd. Off: Floor 25, P.J.Towers

Dalal Street

Mumbai – 400 001

Fax: 022- 22723121/ 2272 2037

Scrip Code : 513605

The Manager-Dept. of Corporate Services

**National Stock Exchange of India Ltd.**

Exchange Plaza, Bandra Kurla Complex, Bandra (E)

Mumbai – 400 051

Fax: 022- 26598120/ 26598237/38

Symbol : SRIPIPES

Dear Sir,

**Sub: Board Meeting of the Company held on 1<sup>st</sup> June, 2020**

The Board at its meeting held today has taken on record the Audited financial results for the quarter & year ended 31<sup>st</sup> March, 2020 and audited financial statements for the year ended 31<sup>st</sup> March, 2020. Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, we enclose the following :-

1. Audited financial results for the quarter and year ended 31<sup>st</sup> March, 2020.
2. Auditors' Report on the Audited financial results.

Pursuant to Regulation 33 (3) (d) of SEBI LODR Regulations, 2015, we declare that the Report of Auditors is with un-modified opinion with respect to the Audited Financial Results of the Company for the quarter/year ended 31<sup>st</sup> March, 2020.

We further inform the following :-

1. The Board on the recommendation of Nomination and Remuneration Committee has approved the re-appointment of Mrs S. Hemamalini as independent director for the 2<sup>nd</sup> term of five years with effect from 25<sup>th</sup> August, 2020, subject to the approval of shareholders at the ensuing Annual General Meeting.
2. The Board has recommended a dividend of Rs.7/- (70%) per share for the financial year ended 31.03.2020, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.



3. The Dividend for the financial year ended 31.03.2020, if any, declared at the ensuing Annual General Meeting will be paid to the shareholders within 30 days from the date of declaration.

Pursuant to SEBI's Circular dated 9<sup>th</sup> September, 2015, we give below brief profiles in respect of appointment approved by the Board :

1. **Profile of Mrs S. Hemamalini:** Mrs Hemamalini has done her MBA – Marketing from Madras University and passed Customs House Agent Exam conducted by the Govt. of India as per Customs Act, 1965 and Conservation of Foreign Exchange and Prevention of Smuggling Act. She was earlier associated with Tata Shipping, Gokak and Kothari Industrial Corporation and was heading Customer Service, International Trade & Textiles Departments respectively. She is the founder and CEO of Live Connections, a multi-crore recruitment and search firm based at Chennai having its foot prints in four countries with five branches.
2. **Relationship of Mr. Mrs S. Hemamalini with other Directors:** Mrs S. Hemamalini is an independent director and has no interest or concern or any relationship with other directors of the Company.

We are also enclosing herewith a copy of the Press Release issued in connection with the Board Meeting of the Company held today.

The Meeting of the Board of Directors commenced at 11.30 AM and concluded at 1.20 PM

Thanking you,

Yours faithfully,

**For SRIKALAHASTHI PIPES LIMITED**

**G. KODANDA PANI**  
**Company Secretary**



**SRIKALAHASTHI PIPES LIMITED**  
 Regd. Office & Works: Rachagunneri-517641, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh  
 CIN : L74999AP1991PLC013391; Phone : 08578 - 286650 - 655 email: companysecretary@srikalahasthipipes.com;  
 Website : www.srikalahasthipipes.com

**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

Sl. No.	Particulars	(All amounts in Indian Rupees Lakhs Except per Share Data)				
		Quarter Ended		Year Ended		Year Ended
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Audited) (Refer Note no. 8)	(Unaudited)	(Audited) (Refer Note no. 8)	(Audited)	(Audited)	
I	Revenue from Operations	39,847.48	44,625.20	40,869.87	1,66,290.16	1,55,880.44
II	Other Income	2,096.65	1,444.93	1,291.61	6,369.32	5,064.63
III	Total income (I+II)	41,944.13	46,070.13	42,161.48	1,72,659.48	1,60,945.07
IV	Expenses:					
	(a) Cost of materials consumed	17,263.19	24,185.26	23,942.26	82,720.34	85,022.36
	(b) Purchase of stock in trade	130.41		391.34	6,493.91	5,453.80
	(c) Changes in inventories of finished goods and work-in-progress	1,380.56	(1,364.99)	(842.89)	(3,673.64)	(2,644.89)
	(d) Employee benefits expense	2,077.65	2,246.02	1,879.27	8,724.17	7,878.14
	(e) Finance Costs	1,353.88	1,222.88	700.66	4,620.06	4,050.23
	(f) Depreciation and amortisation expense	1,049.97	1,045.73	919.88	4,116.70	3,704.62
	(g) Other expenses	12,289.26	12,222.51	10,427.85	46,005.77	41,475.83
	Total Expenses (IV)	35,544.92	39,557.41	37,418.37	1,49,007.31	1,44,940.09
V	Profit before tax (I-IV)	6,399.21	6,512.72	4,743.11	23,652.17	16,004.98
VI	Tax expense					
	(a) Current Tax	1,613.03	1,770.20	909.82	5,926.65	3,399.29
	(b) Deferred Tax	(286.72)	(2,023.60)	250.10	(1,042.11)	851.96
	Total Tax expense	1,326.31	(253.40)	1,159.92	4,884.54	4,251.25
VII	Profit for the period (V-VI)	5,072.90	6,766.12	3,583.19	18,767.63	11,753.73
VIII	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss	-0.63	(6.00)	(49.91)	(18.63)	(24.01)
	Income Tax relating to items that will not be reclassified to profit or loss	0.16	0.33	17.47	4.69	8.40
	Other Comprehensive Income (Net of Tax)	(0.47)	(5.67)	(32.44)	(13.94)	(15.61)
IX	Total Comprehensive Income for the period (VII+VIII)	5,072.43	6,760.45	3,550.75	18,753.69	11,738.12
X	Paid-up equity share capital (Face Value Rs.10/- per Share)	4,669.84	4,669.84	4,669.84	4,669.84	4,669.84
XI	Other Equity excluding Revaluation Reserve				1,36,945.09	1,21,569.19
XII	Earnings Per Share (EPS) of Rs. 10 each (not annualised)					
	Basic and Diluted EPS (In Rs.)	10.86	14.49	7.67	40.18	25.17

**Notes:-**

1) The above Audited financial result for the quarter and year ended March 31, 2020 includes Statement of Assets and Liabilities as on March 31, 2020 (Enclosed as "Annexure I") and Cash Flow for the year ended March 31, 2020 (Enclosed as "Annexure II") attached herewith. These results have been compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated July 05, 2016 and has been reviewed by the Audit Committee and approved by the Board of Directors on June 01, 2020. The results have been subjected to Audit by the Statutory Auditors.

2) In terms of Ind AS-108 "Operating Segment", the Company has one business segment i.e. Pipes and all other activities revolve around said business.  
 3) Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to its leasehold assets under modified retrospective approach with cumulative effect of initial recognition being given effect to on the date of application. Consequently, such assets have been recognised as "Right of Use" and have been amortised over the term of lease. Further, finance cost in respect of lease liability has been measured and considered in these financial statements. Previously charge on account of this was recognised as lease rent in terms of the agreement. This however does not have any significant impact on the Profit/Loss and Earning Per Share for the period.

4) Revenue from operations include Trading Sales as below:

March 31, 2020	Quarter Ended		March 31, 2019	Year Ended	
	December 31, 2019	March 31, 2020		March 31, 2020	March 31, 2019
66.37	-	397.13	6,804.74	5,679.53	

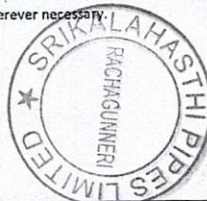
5) The Company has during the quarter exercised the option for paying income tax at concessional rates subject to the provisions/conditions as permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 and promulgated as The Taxation Laws (Amendment) Act, 2019 enacted on December 11, 2019. Accordingly, Deferred Tax Liabilities (net) recognised earlier as at March 31, 2019 has been re-measured and the estimate for tax expense comprising of both current and deferred tax for the year ended March 31, 2020 have been revised. Consequential impact in this respect has been given effect to in this period and thereby tax expense for the current quarter and year ended March 31, 2020 is lower by Rs. 913.42 lakhs and Rs. 2,310.82 lakhs respectively.

6) Consequent to the outbreak of COVID-19, which has been declared as a pandemic by World Health Organisations (WHO), Government of India has declared a lock down effective from March 24, 2020. The Company's operation have been affected due to loss of more than a month's production due to the suspension of the operation, disruption in supply chain and non-availability of personnel during lock down. Though the production has started in the first week of May 2020, due to absenteeism, consequent to nationwide lockdown, the normal production is still affected. The Company has considered internal and external information while finalising various estimates and taking assumptions in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors and no material impact on the financial results inter-alia including the carrying value of various current and non-current assets are expected to arise. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor and any variation due to the changes in situations will be taken into consideration, if necessary, as and when it crystallizes.

7) Subsequent to the balance sheet date, the Board of Directors has recommended a dividend of Rs. 7/- per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2020. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 3268.89 lakhs.

8) The figures for the quarters ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31 of the respective years which were subject to limited review by the Statutory Auditors.

9) Previous periods' figures have been regrouped/rearranged wherever necessary.



For SRIKALAHASTHI PIPES LIMITED

*(Signature)*

Gouri Shankar Rathi  
 Whole Time Director

Place : Chennai.  
 Date : June 01, 2020.



SRIKALAHASTHI PIPES LIMITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020		
Particulars	(Rs. in lakhs)	
	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
a. Property, Plant and Equipment	92,659.23	85,787.00
b. Capital Work-In-Progress	4,037.04	2,407.09
c. Other Intangible Assets	51.39	64.72
d. Financial Assets		
(i) Loans	788.49	763.66
(ii) Other Financial Assets	13.53	99.97
e. Other Non Current Assets	652.86	475.44
<b>Total Non-Current Assets</b>	<b>98,202.54</b>	<b>89,597.88</b>
<b>Current Assets</b>		
a. Inventories	33,283.87	35,267.97
b. Financial Assets		
(i) Trade Receivables	54,172.63	30,548.02
(ii) Cash and Cash Equivalents	804.13	25,723.19
(iii) Bank Balances Other than (iii) above	35,496.04	20,557.98
(iv) Loans	5,143.31	6,608.63
(v) Other Financial Assets	3,057.17	2,435.17
c. Current Tax Assets	385.72	476.28
d. Other Current Assets	7,163.56	7,279.30
<b>Total Current Assets</b>	<b>1,39,506.43</b>	<b>1,28,896.54</b>
<b>Total Assets</b>	<b>2,37,708.97</b>	<b>2,18,494.42</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
a. Equity Share Capital	4,669.84	4,669.84
b. Other Equity	1,36,945.09	1,21,569.19
<b>Total Equity</b>	<b>1,41,614.93</b>	<b>1,26,239.03</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
a. Financial Liabilities		
(i) Borrowings	11,810.72	16,393.17
(ii) Lease Liabilities	1,948.91	-
b. Provisions	768.84	547.39
c. Deferred Tax Liabilities (Net)	13,271.43	14,318.23
d. Other Non Current Liabilities		
(i) Deferred Income	397.44	423.08
<b>Total Non-Current Liabilities</b>	<b>28,197.34</b>	<b>31,681.87</b>
<b>Current Liabilities</b>		
a. Financial Liabilities		
(i) Borrowings	37,121.43	18,720.11
(ii) Trade Payables		
Total Outstanding dues to Micro Enterprises and Small Enterprises	44.86	40.11
Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises	20,960.33	31,684.21
(iii) Other Financial Liabilities	5,394.78	5,097.10
b. Other Current Liabilities	3,776.45	4,297.74
c. Provisions	598.85	734.25
<b>Total Current Liabilities</b>	<b>67,896.70</b>	<b>60,573.52</b>
<b>Total Liabilities</b>	<b>96,094.04</b>	<b>92,255.39</b>
<b>Total Equity and Liabilities</b>	<b>2,37,708.97</b>	<b>2,18,494.42</b>





**SRIKALAHASTHI PIPES LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**

Annexure II

(Rs. in lakhs)

Particulars	For the Year Ended March 31, 2020		For the Year ended March 31, 2019	
<b>A. Cash Flow from operating activities</b>		<b>23,652.17</b>		<b>16,004.98</b>
Net Profit Before Tax				16,004.98
Adjustment for non cash and other items:				
Finance Cost	4,620.06		4,050.23	
Depreciation and Amortisation Expense	4,116.70		3,704.62	
Gain on sale of property, plant and equipment (net)	(2.17)		(16.96)	
Deferred Income	(136.30)		(209.72)	
Interest Income on loans, deposits, overdue debts etc.	(5,384.31)		(3,410.18)	
Provision for Obsolete and Non-Moving Stores and Spares	-		13.00	
Impairment Allowances for doubtful debts	-		5.72	
Provision/ Liabilities no longer required written back	-		(8.97)	
	-		(93.75)	
Impairment Allowances for doubtful debts no longer required written back	-		61.83	
Bad debts	-		-	
Net gain/(loss) on redemption of current investments	(79.96)	3,134.02	(338.37)	3,757.45
<b>Operating Profit before Working Capital changes</b>		<b>26,786.19</b>		<b>19,762.43</b>
Adjustments for :				
(Increase) / decrease in Loans, Other Financial and Non-Financial Assets	(137.57)		(176.58)	
(Increase) / decrease in Trade Receivables	(22,667.60)		3,068.31	
(Increase) / decrease in Inventories	1,984.10		(14,368.68)	
Increase / (decrease) in Other non-financial Liabilities and provisions	(1,281.59)		414.79	
(Increase) / decrease in Other current Financial Assets and Non-Financial Assets	(464.21)		(6,263.83)	
Increase / (decrease) in Trade Payables and other financial Liabilities	(10,840.97)	(33,407.84)	24,897.31	7,571.32
<b>Cash Generated from Operations</b>		<b>(6,621.64)</b>		<b>27,333.75</b>
Direct Taxes Paid		(5,836.09)		(3,482.81)
<b>Cash from Operating Activities (A)</b>		<b>(12,457.74)</b>		<b>23,850.94</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment and movement in Capital Work in Progress	(10,583.79)		(5,504.95)	
Sale of Property, Plant and Equipment	3.08		82.50	
Interest Received	4,708.11		3,103.60	
(Increase) / decrease in Bank Balances other than Cash and cash equivalents	(14,899.44)		(20,275.49)	
(Purchase)/ Sale of Current Investments (Net)	79.96		21,684.65	
(Increase) / decrease in Inter-Corporate Deposits	1,695.00		(4,350.00)	
<b>Net Cash Flow From Investing Activities (B)</b>		<b>(18,997.08)</b>		<b>(5,259.69)</b>
<b>C. Cash Flow from Financing Activities</b>				
Long Term Borrowings-Receipts/(Repayments)[Net]	(3,591.43)		13,397.31	
Short Term Borrowings-Receipts/(Repayments)[Net]	18,401.32		(19,067.11)	
Interest Paid	(4,732.59)		(4,033.16)	
Payment of Lease Liability	(178.62)		-	
Dividends (including corporate dividend tax)	(3,362.92)		(3,358.05)	
<b>Net Cash Flow From Financing Activities (C)</b>		<b>6,535.76</b>		<b>(13,061.01)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>		<b>(24,919.06)</b>		<b>5,530.24</b>
Cash and Cash Equivalent as at Beginning of Year		<b>25,723.19</b>		<b>20,192.95</b>
<b>Cash and Cash Equivalent as at End of the Year</b>		<b>804.13</b>		<b>25,723.19</b>
<b>Notes</b>				
1 Components of Cash and Cash Equivalents				
Cash On Hand		3.63		1.39
Balances with Banks				
In Current Account		800.50		13,221.80
In Deposit Account		-		12,500.00
		<b>804.13</b>		<b>25,723.19</b>
2	The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Indian Accounting Standard (IND AS) 7 on Statement of Cash Flows.			



**INDEPENDENT AUDITORS' REPORT****The Board of Directors of  
Srikalahasthi Pipes Limited****Report on the audit of the Standalone Annual Financial Results****Opinion**

We have audited the accompanying standalone financial results of Srikalahasthi Pipes Limited ('the Company') for the year ended March 31, 2020 and the notes thereon (hereinafter referred to as the "Financial Results") attached herewith, being compiled by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The financial results has been initialed by us for the purpose of identification.

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit for the year ended March 31, 2020 and other comprehensive income and other financial information for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

**Management's Responsibilities for the Standalone Financial Results**

These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit for the year ended March 31, 2020 and other comprehensive income and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing an opinion whether the company has adequate internal financial controls with respect to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial results.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

- a) The outbreak of COVID-19 as stated in Note no. 6 of the financial results dealing with evaluation of Impact of COVID-19 which has caused disruption in operation and physical verification and other year-end exercises, for which alternative audit procedures as required in terms of standards on auditing (SA) has been applied to obtain sufficient audit evidence on the matter.
- b) These financial results include the results for the quarter ended March 31, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31 of the relevant financial year. These figures were subject to limited review by us as required under the Listing Regulations.
- c) Our opinion is not modified in respect of the matters stated in (a) to (b) above.

Place: Kolkata  
Date: June 01, 2020



For Lodha & Co,  
Chartered Accountants  
Firm's ICAI Registration No.:301051E

*R.P. Singh*

R. P. Singh  
Partner  
Membership No: 52438  
UDIN: 20052438AAAAAU5673





# SRIKALAHASTHI PIPES LIMITED

148/150, Luz Church Road, Mylapore, Chennai - 600 004, India.

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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, 2020 at its meeting held on 1<sup>st</sup> June, 2020.

The profit before tax for the quarter ended 31<sup>st</sup> March 2020 was Rs.64 Crores, as compared to Rs.47.43 Crores for the corresponding quarter ended 31<sup>st</sup> March, 2019. The profit before tax for the year ended 31<sup>st</sup> March, 2020 was Rs.236.52 Crores as against Rs.160.05 Crores in the previous year ended 31<sup>st</sup> March 2019. The Profit after tax for the year ended 31<sup>st</sup> March 2020 is Rs.187.67 crores as against Rs.117.54 crores in the previous year ended 31<sup>st</sup> March 2019.

The Board of Directors has recommended a dividend of Rs.7/-per share (70%) for the FY 2019-20 as against a dividend of Rs.6/- per share (60%).

Mr. G S Rathi, Whole Time Director of the Company, while briefing about the financial results informed that the improved performance of the Company during the FY 2019-20 is mainly attributable to lower raw material cost, higher sales realization with an optimum product mix coupled with various cost reduction measures already implemented. He informed that the production and sales of D I Pipes for the year 2019-20 was 293,491 tonnes and 285,848 tonnes respectively. In spite of suspension of operations from 24<sup>th</sup> March, 2020, consequent to nationwide lockdown, the company could achieve almost 100% of its rated capacity of D I Pipes.

Mr. Rathi further informed that the company had lost more than a month's production due to the suspension of the operation following nationwide lockdown declared by the Government of India. Though the production has restarted from 1<sup>st</sup> week of May, 2020, due to absenteeism, consequent to nationwide lockdown, the normal production is affected. He is hopeful that normal production will be established from the 2nd quarter of the current year.

As regards execution of projects, he informed that the Commissioning of Facilities like Cement Lining Machine VI, Sand Blasting System, Gasket Storage system and 15 MT Cranes in connection with project relating to capacity addition of DI Pipes have been completed.

**Regd. Office & Works :**

Rachaganneri - 517 641. Srikalahasthi Mandal, Chittoor District, Andhra Pradesh, India.

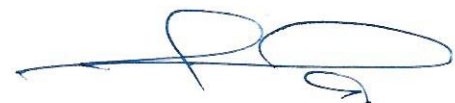


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With respect to other projects, Mr. Rathi, informed that most of the machinery and equipment in connection with new MBF and DI Pipes expansion projects are to be imported. Owing to COVID-19 pandemic, already, there was a delay of about Six months in the execution of these projects. Further, due to increasing spread of COVID-19 across the globe as well as in India, it is anticipated that the schedule of these projects may get further affected, due to delay in receipt of machinery, erection & commissioning, engineers visit due to VISA regulations / protocols, resulting in further delay in completion of these projects. The estimated completion schedule as on date is first quarter of 2021-22.

While briefing about the future outlook of the Company, Mr. Rathi informed that the company is having comfortable order book for supply of Ductile Iron pipes. During this Covid-19 situation, safe and hygienic water supply is most important for the Government. Ductile Iron pipe is the safest and suitable for transportation of water not only in urban cities but also in rural India. The company is therefore hopeful that Central and State Government will continue to give priority and remain committed in respect of ongoing and future water supply, sewerage and irrigation projects in the country.

Chennai  
1<sup>st</sup> June, 2020



G. S. Rathi  
Whole Time Director