



# 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, 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.

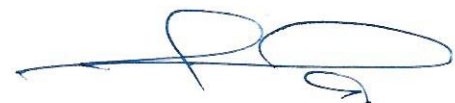


Page : 2

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