



SRIKALAHASTHI PIPES LIMITED



Regd. Office & Works: Rachagunneri-517641, Srikalahasthi Mandal, Chittoor District, A.P.,
Ph.:08578 286650 to 55; Fax: 286657/88 Website : www.srikalahasthipipes.com, CIN : L74999AP1991PLC013391

SPL/SECY/SE/2017-18

September 20, 2018

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

The Manager-Dept. of Corporate Services

National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex, Bandra (E)

Mumbai – 400 051

Fax: 022-26598237/38

Dear Sir,

Sub: Submission of Annual Report for the FY 2017-18.

With reference to the above subject, we are herewith submitting Annual Report of the Company for the FY 2017-18 for your information and records.

This may be treated as compliance under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,

For **SRIKALAHASTHI PIPES LIMITED**

G. KODANDAPANI
Company Secretary



INSPIRING GROWTH



Save Water.
The World is in your hands.

Srikalahasthi Pipes Limited
26th Annual Report 2017-18

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CORPORATE INFORMATION

DIRECTORS

Shri G. Maruthi Rao, Chairman, DIN 0083950
Shri Gouri Shankar Rathi, Whole-time Director, DIN 00083992
Shri V. Poyyamozhi, Whole-time Director, DIN 07887406
Shri S.Y. Rajagopalan, DIN 00067000
Shri R.K. Khanna, DIN 05180042
Smt Priya Manjari Todi, DIN 01863690
Smt S. Hemamalini, DIN 01947327
Shri Solomon Arokiaraj, IAS (Nominee of APIDC), DIN 06802660

MANAGING DIRECTOR

Shri Mayank Kejriwal, DIN 00065980

CHIEF FINANCIAL OFFICER

Shri N. Sivalai Senthilnathan

COMPANY SECRETARY

Shri G. Kodanda Pani

AUDITORS

M/s. Lodha & Co.,

SOLICITORS

Khaitan & Co.

BANKERS

ICICI Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.
Punjab National Bank
Bank of India
Andhra Bank
Yes Bank Limited

REGISTERED OFFICE & WORKS

Rachagunneri-517 641
Srikalahasthi Mandal
Chittoor District
Andhra Pradesh
Website : www.srikalahasthipipes.com
E-mail : companysecretary@srikalahasthipipes.com
CIN : L74999AP1991PLC013391

SHARE TRANSFER AGENTS

M/s.Karvy Computershare Private Limited (KCPL),
Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032.

CORPORATE OVERVIEW

Srikalahasthi Pipes Ltd (SPL) is one of the leading players in the DI pipe industry in India and was established in 1991. SPL's plant is located at Rachagunneri, Srikalahasthi, Chittoor District, Andhra Pradesh near Tirupati and its key products include DI Pipes, Pig Iron, Coke & and Cement. Srikalahasthi Pipes has a backward integrated manufacturing facility which includes a sinter plant, coke oven plant, power plant and a Sewage Treatment facilities in the same complex spread over 330 acres, giving the company a significant competitive advantage.

Srikalahasthi Pipes Limited (SPL) is an Associate Company of Pipes major Electrosteel Castings Limited (ECL), which is a five-decade old water infrastructure company providing techno-economic solutions for water supply and sewerage systems. ECL is India's largest and one of the few manufacturers in the world to make Ductile Iron (DI) Pipes, DI Fittings and CI Pipes, having its facilities in Khardah & Haldia in West Bengal and Elavur in Tamil Nadu.

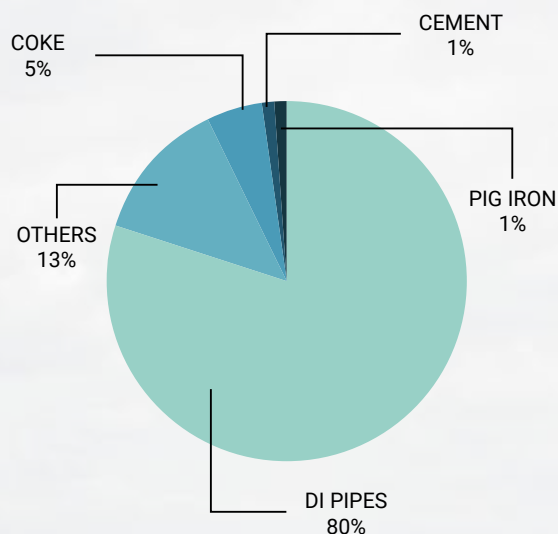
The company supplies DI pipes to various Water Boards, Municipal Corporations and Turnkey Contractors across the country for their Water Infrastructure Projects which is the thrust area of the Govt of India. Some of our marquee clients are Larsen & Toubro, NCC Limited, Indian Hume Pipes Ltd, Megha Engineering & Infrastructures Ltd and Sriram EPC Ltd.

The impetus given by the Central Government in the Union Budget to various centrally sponsored schemes like National Rural Drinking Water Programme, Swatch Bharath, urban and rural development projects, augur well for the Ductile Iron Pipe industry in terms of boosting demand for DI Pipes in the medium to long term which helps us keep the order book stable.

VISION

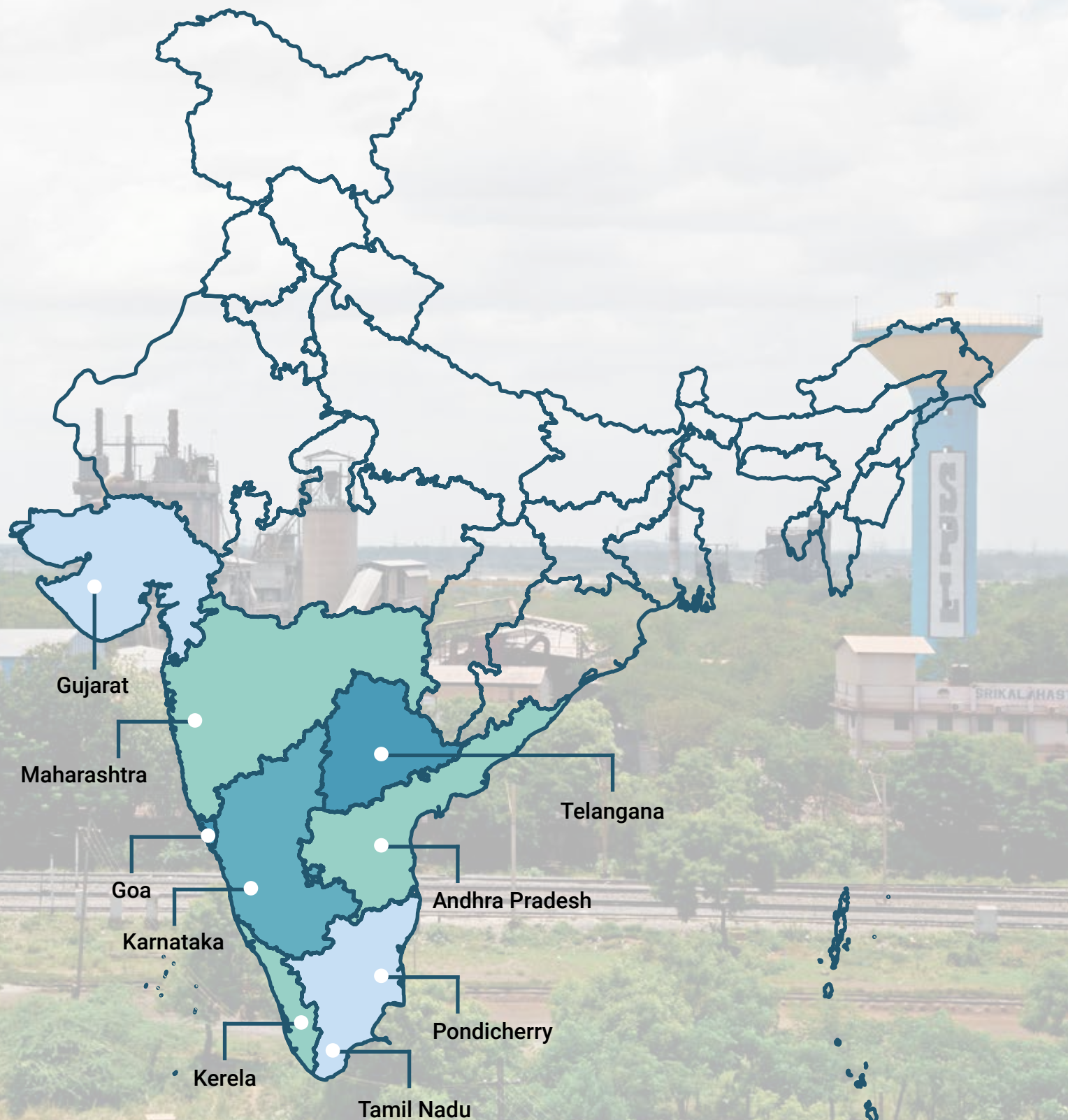
We aim to be world class, committed to customer satisfaction and to encourage the spirit of leadership amongst our dedicated team by creating a healthy environment for continuous growth, profit and prosperity.

Revenue Distribution FY18

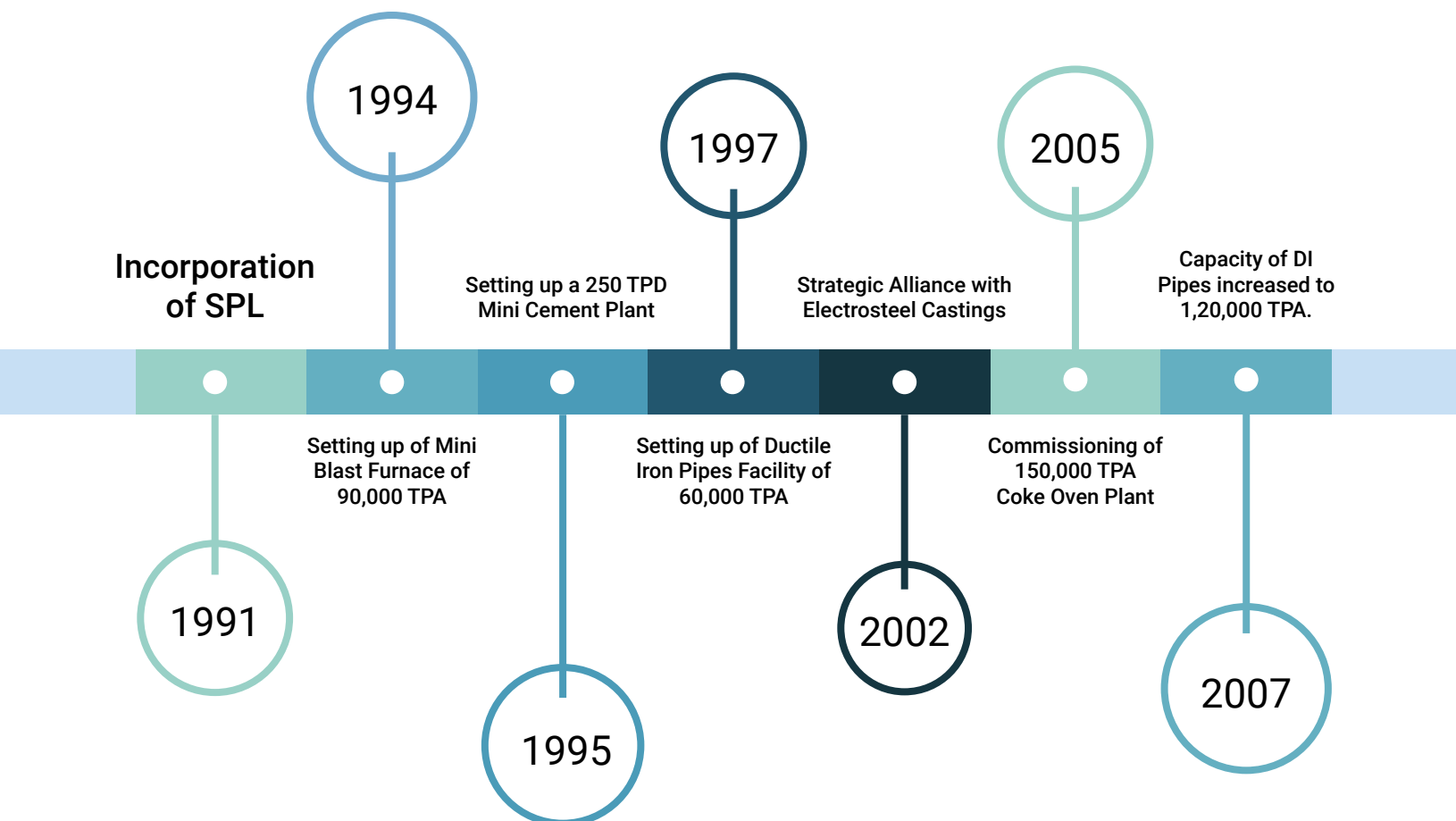


CAPACITY	MTPA
DI Pipe	3,00,000
Pig Iron	2,75,000
Coke Oven Plant	2,25,000
Power	14.5 MW
Cement	90,000
Sinter Plant	5,00,000

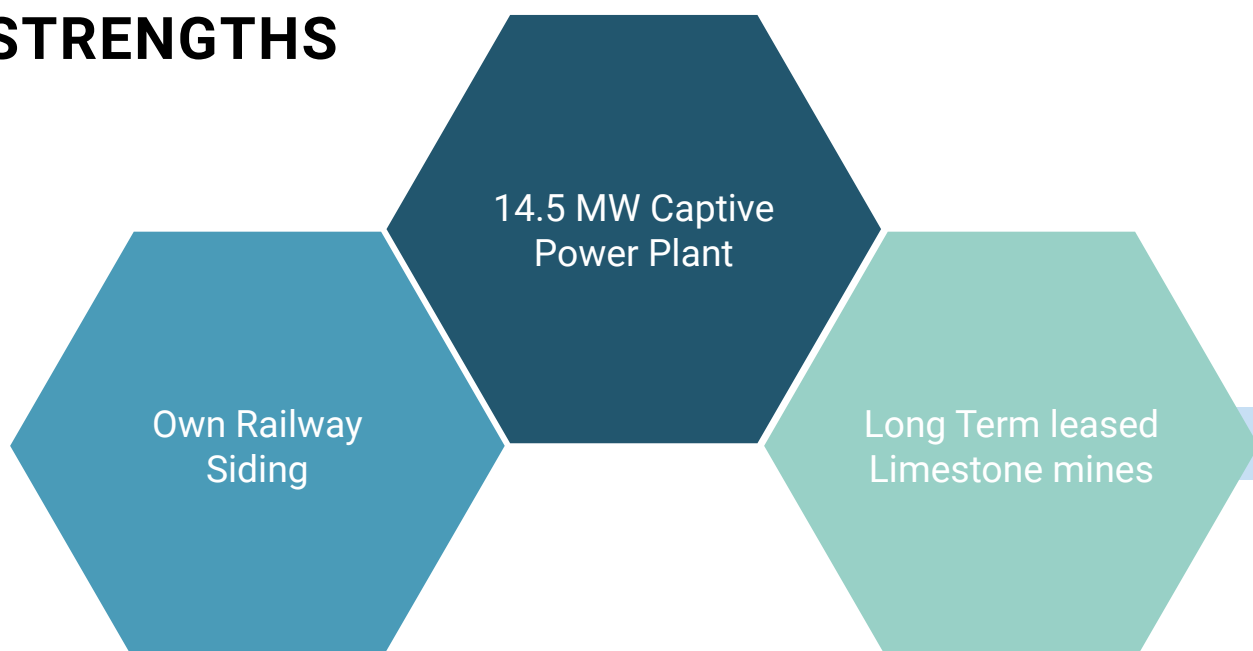
OUR REACH

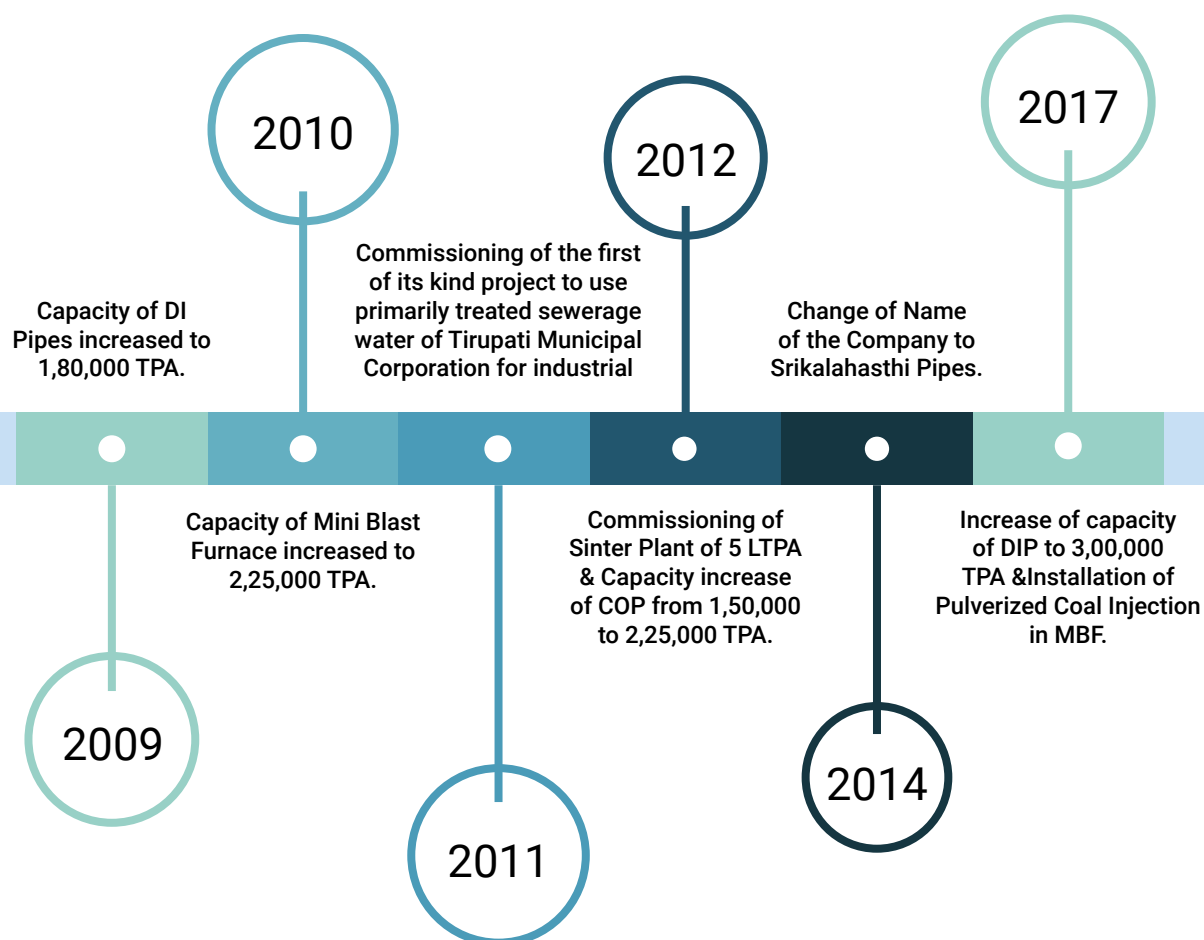


KEY MILESTONES



KEY STRENGTHS





Long Term water arrangement with Tirupathi Municipal Corporation

Krishnapatnam, Chennai and Ennore Ports within the vicinity of 150 Kms

Well positioned to capitalize Government's strong focus on water infrastructure projects

DUCTILE IRON PIPES

Ductile Iron (also known as Spheroidal Graphite Iron or Nodular Cast Iron) retains the corrosion resistance of Cast Iron but has more than double the tensile strength. The essential difference between Ductile and Cast Iron lies in the shape of the graphite in the microstructure of the metal. DI Pipes have external metallic zinc/epoxy/bituminous coating and internal cement mortar lining using large centrifugal force to provide excellent anti-corrosive properties. DI Pipes are used for transmission of raw & potable water, transmission of domestic & industrial effluents, fire fighting systems, piling ash-slurry handling Systems. SPL manufactures and markets DI Pipes under the brand name "SRIPIPES" and the product size ranges from 100 mm to 1,100 mm.

Strengths:

Higher Tensile Strength: Is strong enough to withstand the most severe conditions, from high-pressure applications, to heavy earth and traffic loads, to unstable soil conditions.

Corrosion Resistant: It is resistant to corrosion in most soils, and typically requires only effective, economical polyethylene encasement in aggressive environments.

Longer Service Life: Projected service life is 70-90 Years.

Flexible and Leak Tight Joints: It has flexible push on joints which do not leak at high or low pressure.



COKE

Coke is a fuel with few impurities and a high carbon content, usually made from coal. SPL is one of the largest manufacturers of Low Ash Metallurgical coke (LAMCOKE) in the country. Superior technology, high quality Australian coking coal and outstanding blending help the company to produce one of the best quality cokes in the country. The company adapts different types of blending, which enhances the quality of the coke.



PIG IRON

Srikalahasthi Pipes Limited (SPL) manufactures basic and foundry grade Pig Iron from the surplus liquid metal. SPL's Pig Iron is ideal for specialized applications such as engine blocks, crankshafts, steel mills, pump housing, machine tools, etc. The company caters to specific customer requirement of precision products manufacturers. The company is one of the low cost Pig iron manufacturers with almost total backward integration.

CEMENT

Srikalahasthi sells the cement manufactured under the name "SPL Gold". The company produces Portland slag cement conforming to BIS 455 of 2015. The cement is used extensively in coastal areas where it will safeguard against corrosion due to chlorates and sulphates which are present in the sea breeze.

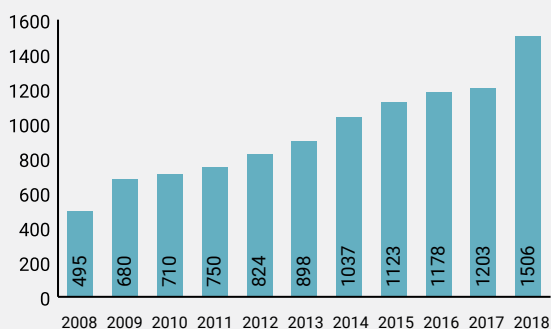


The All Purpose Cement

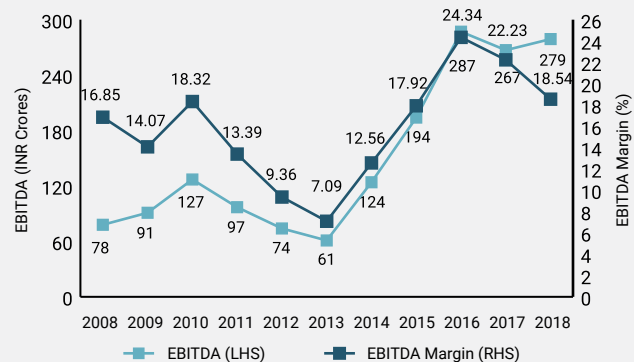
PERFORMANCE HIGHLIGHTS

Particulars	Unit	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	INR Cr	495	680	710	750	824	898	1037	1123	1178	1203	1506
EBITDA	INR Cr	78	91	127	97	74	61	124	194	287	267	279
EBITDA Margin	%	16.85	14.07	18.32	13.39	9.36	7.09	12.56	17.92	24.34	22.23	18.54
PBT	INR Cr	40	28	88	56	-4	-21	41	119	210	191	201
PAT	INR Cr	26	18	58	42	-4	-13	39	83	155	140	147
EPS	INR	6.52	4.62	14.57	10.57	-0.99	-3.29	9.73	20.87	39.01	35.25	35.53
Dividend	%	10	10	15	15	0	0	15	30	50	60	60
Book Value	INR	28.06	31.50	44.49	53.17	52.02	48.73	56.71	139.96	175.36	204.51	252.42

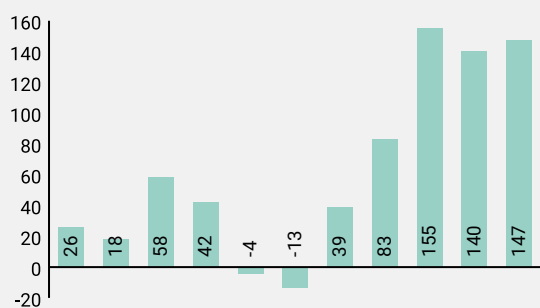
Revenue (INR Crs)



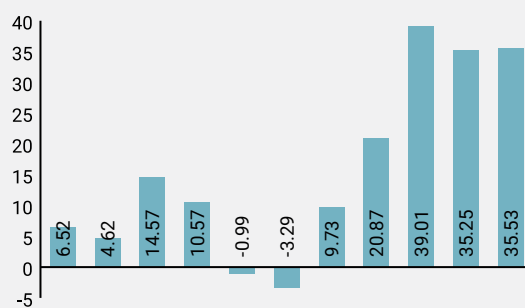
EBITDA (INR Crs) & EBITDA Margin(%)



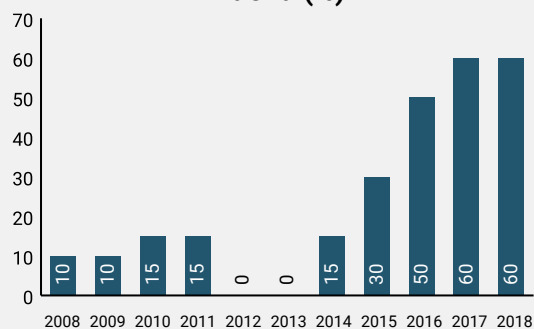
PAT (INR Crs)



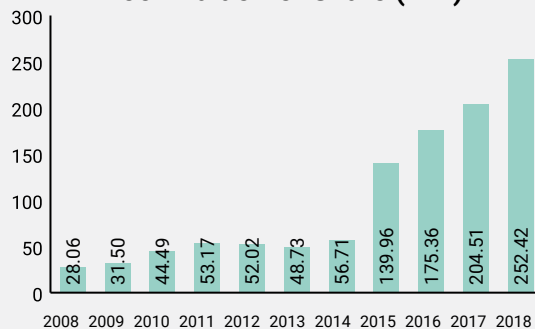
EPS (INR)



Dividend (%)



Book Value Per Share (INR)





DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the 26th Annual Report of the Company together with the Audited financial statements for the Financial Year ended 31st March, 2018.

STATE OF COMPANY'S AFFAIRS:

FINANCIAL HIGHLIGHTS	INR in Lakhs	
	2017-18	2016-17
Particulars		
Revenue from operations	1,50,598.02	1,20,340.14
Other income	3,555.90	3,046.91
Total Revenue	1,54,153.92	1,23,387.05
Earning Before Interest, Depreciation, Taxation & Amortisation (EBITDA)	27,926.41	26,739.99
Finance Costs	4,288.18	3,929.16
Depreciation	3,544.82	3,688.50
Profit/(Loss) Before Taxation	20,093.41	19,122.34
Less: Tax including Deferred Tax	5,353.26	5,099.12
Profit/(Loss) After Taxation	14,740.15	14,023.22

DIVIDEND:

Your Company has consistent track record of dividend payment. Your Directors have recommended a dividend of INR 6.0 (60%) per equity share of INR 10/- each for the financial year ended 31st March, 2018 (previous year INR 6.00 per share) amounting to INR 3375.59 lakhs (including INR 591.36 lakhs towards dividend distribution tax). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

RESERVES :

During the year under review, the Company proposes to transfer INR 5,000 lakhs to the General Reserve.

REVIEW OF OPERATIONS:

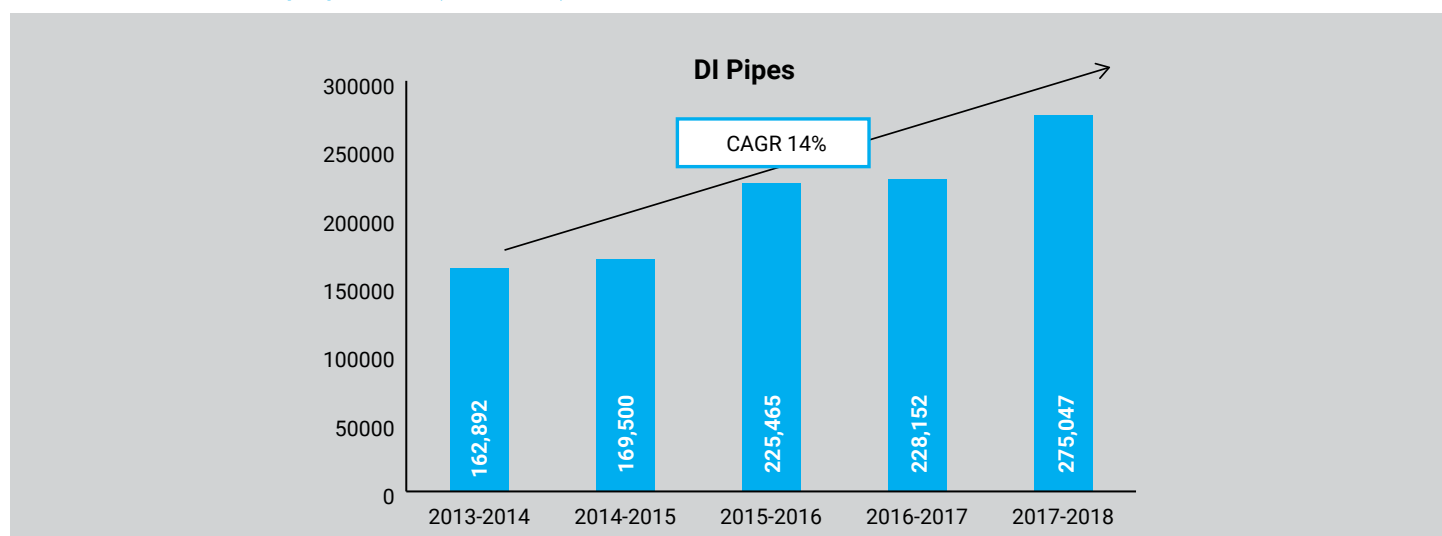
Your Directors are pleased to inform that with the increase of production enhancement facilities commissioned in the last quarter of FY 2016-17, your Company has achieved higher Ductile Iron Pipes production of 2,75,047 MT during the year under review, thereby achieving 90% of the installed capacity.

Your Directors have great pleasure in informing you that your Company continues to play a pivotal role in the nation building movement by contributing to water supply and infrastructure development in the country, which have been the principal areas of focus of the Government. During the FY 2017-18, your company's Ductile Iron Pipes of about 6,900 KM have been used across the country for transportation of potable water and sewerage under its brand name "SRIPIPES" for various prestigious projects across the country.

Production at a glance:

Product	2017-18	2016-17	% of Change
Ductile Iron Pipes (MT)	2,75,047	2,28,152	20.55
Liquid metal from MBF (MT)	2,76,501	2,38,806	15.78
LAM Coke (MT)	1,66,003	1,65,410	0.36
Cement (MT)	93,699	96,800	(3.20)

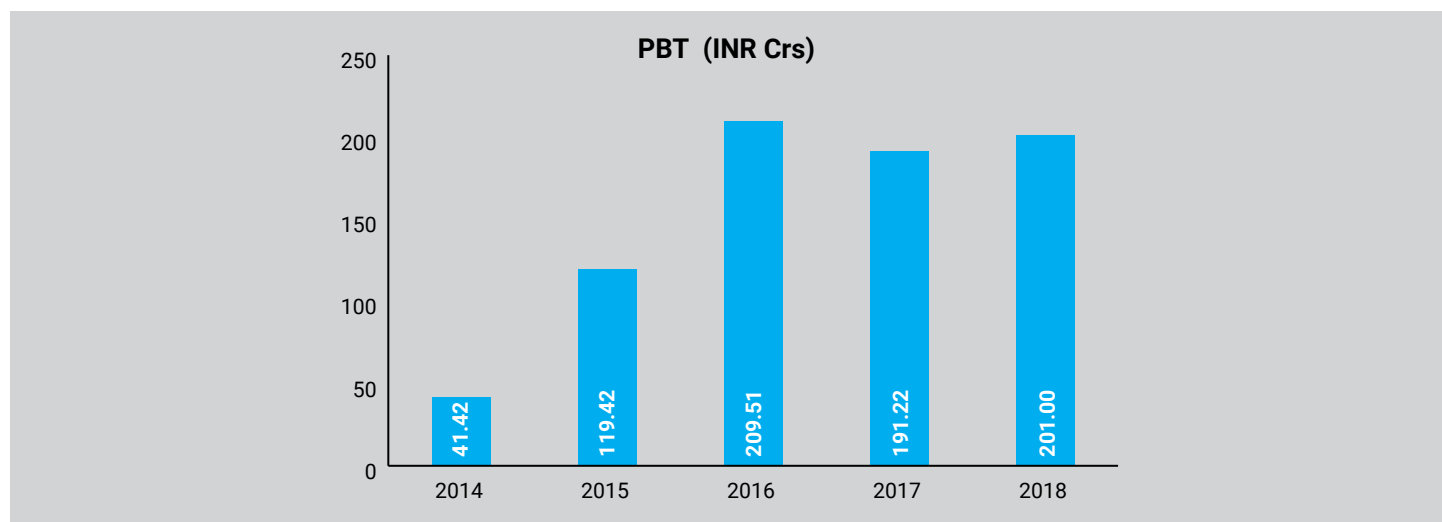
Growth rate of Ductile Iron Pipes production (2014 - 2018):



FY2017-18 was a challenging year for the Company in terms of volatility in the global coal prices throughout the year, besides increase in the prices of iron ore, ferro silicon and almost all other raw materials. However, with improved volumes and the continued thrust given for improving operational efficiencies and cost control, your Company was successful to a certain extent in insulating its margins.

During the year under review your Company demonstrated a relatively better performance, in spite of the challenges thrown by global and domestic raw material markets. The sales volume achieved during the year is at 2,75,484 MT, up by about 20% vis-a-vis FY2016-17, thereby increasing its market share particularly in southern and western states in general. Your Company reported INR 1505.98 Crores as revenue from operations, INR 279.26 Crores as EBITDA and profit after tax of INR 147.34 Crores.

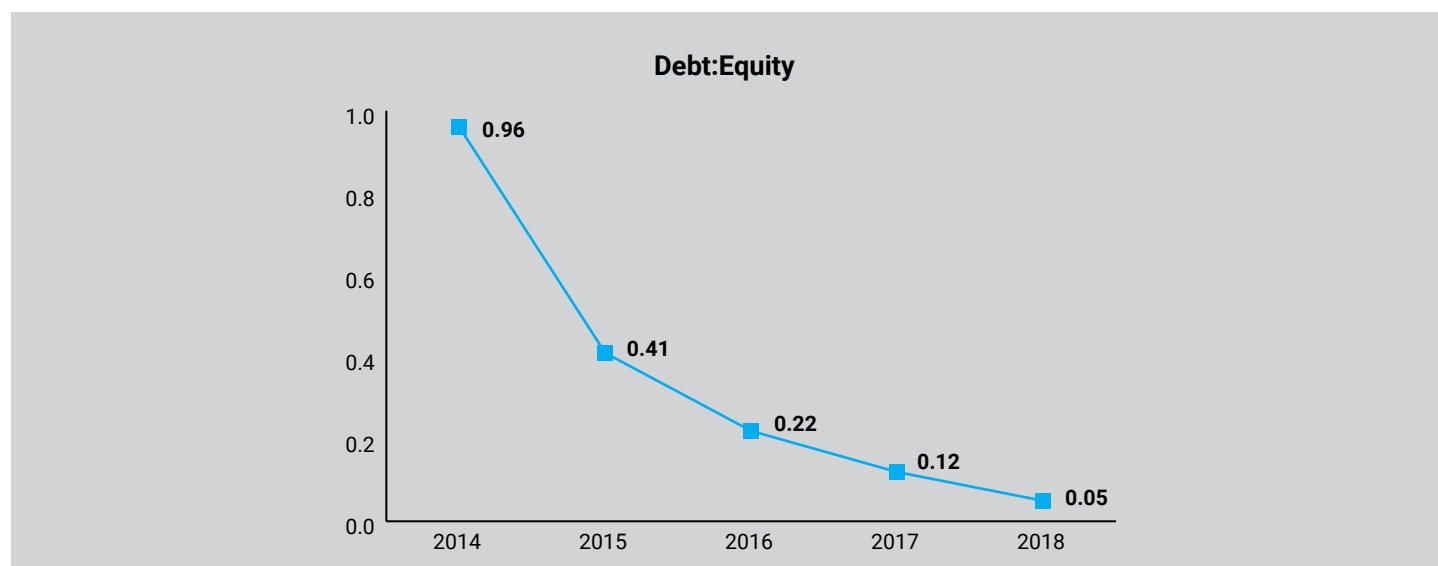
Pre-tax Profit (2014 -2018):



Debt Equity Ratio 2014 – 2018:

The continued surplus cash generation improved the funds availability of the Company resulting in lower dependence on borrowings. With the QIP issue at a decent premium and the improved internal accruals, the Company is comfortably placed to fund its future capital expenditure for expansions and diversification.

Your Company maintains a best ever debt equity ratio of 0.05:1.

**FUTURE PROSPECTS:**

During the year under review, your Company gradually started establishing the expected benefits from the capacity expansion facilities completed in Ductile Iron Pipe Plant and Mini Blast Furnace and also from the cost reduction projects like Pulverized Coal Injection and captive oxygen plant. With this, your Company is expecting to reach close to its full capacity in the FY 2018-19, besides achieving desired cost reduction benefits.

The Project of installation of additional coke oven battery along with additional boiler in the Captive Power Plant taken up by the Company during the year under review is in the advanced stage of completion and is expected to be in place during the first half of 2018-19. Post commissioning of 4th battery, the Company will be in a position to produce higher quantum of LAM Coke in excess of its captive consumption and this opens up a new avenue for your Company for sale of coke depending on market demand, apart from giving the company opportunity to revamp other batteries without affecting the coke production required for captive use. This apart, captive power generation is also expected to go up, which enhances self-reliance in meeting the power requirements and reduces dependency on grid power to a greater extent.

As a further measure of cost reduction initiatives and as part of backward integration to achieve self-reliance in sourcing of major and critical raw/essential materials, the Board of directors of your company after re-evaluating the viability of the Ferro alloys project, has approved a CAPEX of INR 55 Crores for setting up 2 Nos. 9 MVA furnaces to produce Ferro Silicon and Silicon Manganese, where 50% production of the Ferro Silicon will be consumed internally for captive use, the balance quantity of Ferro Silicon and entire quantity of Silicon Manganese shall be sold in domestic and export markets. This additional facility would help your Company in achieving higher revenues, in addition to maintaining lower cost of production. This facility will be commissioned during the FY2019-20.

The Board of directors of our Company has also approved a CAPEX of INR 70 Cores towards installation of additional Annealing Furnace, establishing 1200 mm dia production facilities and other balancing infrastructure in Ductile Iron Pipe Plant, which will facilitate cost reduction, product expansion, besides increased volumes. These projects would be funded out of internal accruals.

Given the Government's focus on infrastructural projects in the country, huge investments in water infrastructure development, improving sanitation coverage in the country, water conservation schemes and increasing number of housing units are expected to drive growth for Ductile Iron Pipes in the domestic market. With the major initiatives already undertaken by the Government in this space like Smart Cities Mission, Pradhan Mantri Awas Yojana or Housing for all by 2022 Mission, Heritage City Development and Augmentation Yojana, JNNURM, Swatch Bharat Mission etc., your Company's order book position continues to be comfortable and the Company is optimistic of maintaining its growth.

CREDIT RATING:

With the continuous improvement in the financial-risk profile of the Company and considering long and satisfactory track record of operations, CARE Limited upgraded its rating for the Company's long term borrowing programmes from "CARE A+; Stable (A Plus)" to CARE AA-; Stable (Double A Minus) and reaffirmed CARE A1+ (A One Plus) rating for the short term facilities including Commercial Paper. While the rating CARE AA- indicates high degree of safety regarding timely servicing of financial obligations carrying very low credit risk, rating CARE A1+ rating indicates very strong degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

GOODS AND SERVICES TAX (GST):

The introduction of Goods and Services Tax (GST) by unifying a large number of central and state taxes into a single tax is a very significant move in the field of indirect tax reforms in India, which would mitigate cascading or double taxation in a major way and pave the way for a common national market.

Your Company was successful in transition to GST scenario by carrying out appropriate changes to the business process & IT systems as per the GST framework. Your Company has passed on the benefit accrued on implementation of GST to the customers.

CHANGES IN DIRECTORS/KEY MANAGERIAL PERSONNEL:

Andhra Pradesh Industrial Development Corporation (APIDC), Hyderabad has withdrawn its nominee Shri Kartikeya Misra, IAS with effect from 4th

July, 2017 and nominated Shri Sidharth Jain Fouzdar on the Board of Directors of your Company with effect from 10th August, 2017 and on his resignation appointed Shri Solomon Arokia Raj, IAS with effect from 28th April, 2018.

During the year under review Mr. K. Raghuram, Company Secretary has resigned with effect from 31st August, 2017 and in his place Mr. G. Kodanda Pani, Dy. General Manager - Finance who has been associated with the Company for the last several years, who is also a member of Institute of Company Secretaries of India has been appointed as Company Secretary with effect from 27th September, 2017.

Your Directors place on record their appreciation for the active participation and valuable services rendered to the Company by Shri Kartikeya Misra, IAS, Shri Sidharth Jain Fouzdar, IAS and Shri K. Raghuram, Company Secretary in their respective capacities.

Upon the recommendation of Nomination and Remuneration Committee, the Board has approved the appointment of Shri V. Poyyamozhi as Whole-time Director of the Company for a period of five years commencing from 10th August, 2017 and the same has been approved by the shareholders at the Annual General Meeting of the Company held on 27th September, 2017.

Upon the recommendation of the Nomination and Remuneration Committee, the Board has approved the appointment of Ms. Priya Manjari Todi as Additional Director of the Company with effect from 31st January, 2018 and she will hold office up to the conclusion of ensuing Annual General Meeting of the Company. Your Company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder of the Company, signifying his intention to propose the name of Ms. Priya Manjari Todi, for appointment as a Director of your Company. Brief profile of Ms. Priya Manjari Todi is given in the notice of the Annual General Meeting, for the persual of the shareholders.

Shri V. Poyyamozhi retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI's Listing Regulations, 2015.

The board of directors of your company confirms that plans are in place for orderly succession for appointment to the board of directors and senior Management and they are reviewed every year.

CORPORATE GOVERNANCE:

Your Company is committed to maintain the highest standards of Corporate Governance requirements set out by SEBI and strives to ensure that corporate governance guidelines and best practices are followed in letter and spirit and believes in accurate and timely disclosure of information regarding financials, performance as well as the leadership and governance of the Company.

The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms an integral part of Directors Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

INTERNAL FINANCIAL CONTROLS & ADEQUACY:

The Company has adequate and effective Internal Financial Controls (IFC) framework, commensurate with its size, scale and complexity of operations. The Company has laid down certain guidelines, processes and structures, which enable implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompasses policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors,

timely preparation of reliable financial information, compliance with all applicable laws. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively. The controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or operating effectiveness was observed. The framework on Internal Financial Controls over Financial Reporting has been reviewed by the internal and external auditors.

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal control over financial reporting issued by the Institute of Chartered Accountants of India.

The Audit committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements wherever needed to strengthen the same.

MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis (MDA) in a separate section vide Annexure II to this Report.

RISK MANAGEMENT POLICY :

Company's Risk Management Policies are formulated in such a way that the Company can respond swiftly to the risks and implement necessary mitigation activities. A prudent risk management framework has been developed, such that cautious approach is undertaken to identify and analyze internal and external risks and minimize its impact on operations. The Company's Risk Management framework protects and adds value to the organization and its stakeholders with the objective to establish a risk intelligence framework for managing objectively expected risk exposures so as to maintain financial stability of your Company.

A robust Risk Management Framework supports your Company's business strategy and operations. Risk Management Framework is constantly updated for new and emerging risks emanating from business expansion and interests. The risks are evaluated, quantified & prioritized and mitigation plans are reviewed & monitored at various stages. The major risks connected with the business, their likely bearing on the performance of the Company and their mitigation are covered under Risks and Concerns Section of the Management Discussion and Analysis.

NOMINATION & REMUNERATION POLICY:

The Board periodically evaluates the need for change in its composition and size. The policy of the Company on the appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel, including criteria for determining qualifications, positive attributes, independence of a director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013 are formulated by the Nomination and Remuneration Committee. The Policy is available in the company's website at www.srikalahasthipipes.com.

The Nomination and Remuneration Committee of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the terms of reference to the Committee are :-

- To guide the Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

- c. To recommend to the Board on remuneration payable to the Directors and Key Managerial Personnel.
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :

Your Company believes that Corporate Social Responsibility (CSR) plays a major role in the inclusive development of the nation through continuous and purposeful engagement with society around. The Company is well on its course to execute its CSR initiatives to meet the pressing needs towards empowering women and children living in and around the location, where it operates and beyond. Company's CSR efforts are directed towards enabling an ideal scenario where women and girls have access to quality education, healthcare and livelihood skills to build their own destinies while taking vital decisions in their families and society at large.

The Board has adopted a Corporate Social Responsibility Policy (CSR Policy), Rules, 2014 in accordance with Schedule VII of the Companies Act, 2013. The Report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013 is at Annexure III to this Report.

During the FY2017-18, the Company has spent about INR 3.63 Crores as against INR 3.58 Crores to have been spent during the year under review, towards various CSR activities which are covered in detail in the Report on CSR, which forms part of this report. The Company is following a systematic process to ensure that meaningful and measurable outcome is delivered from its CSR initiatives, which are relevant and impactful and meet the intent of the law and the CSR Policy.

WHISTLE BLOWER MECHANISM (POLICY) :

The Company has a vigil mechanism named Whistle Blower Policy / Vigil Mechanism to deal with instance of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report. During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy of the Company has been displayed on the Company's website at www.srikalahasthipipes.com

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year 2017-18, no complaints were received by the ICC.

EVALUATION OF PERFORMANCE OF BOARD MEMBERS :

During the year, a formal process for annual evaluation of performance of Board, its committees and directors individually was carried out as per the criteria laid down by the Nomination and Remuneration Committee, pursuant to the provisions of the Companies Act, 2013 and SEBI LODR. The criteria for evaluation of board and its committees were based on the structure, composition, board-management relationship, effectiveness in terms of roles and responsibilities and processes encompassing the information flow and functioning. The guiding standards for the assessment of performance of directors (including the independent directors) were, their attendance and participation at board meetings, sharing of their relevant domain expertise, their strategic inputs and demonstration towards governance compliances.

The evaluation was carried out through a structured methodology approved by the Nomination and Remuneration Committee after ensuring

that the aspects under each of the laid down criteria are comprehensive and commensurate with the size of the board and the Company. The Nomination and Remuneration Committee, reviews and makes recommendation to the board, from time to time, for ensuring an optimum composition of the Board and its Committees, induction of directors into the Board, participation on the Board effectiveness and evaluation process. The outcome of the evaluation also forms the basis for the Nomination and Remuneration Committee while considering re-appointment of Directors and appointment in various Committee(s) of the Board.

The performance of every Director was evaluated by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors was carried out by the entire Board. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

From the evaluations of the Board, it was observed that the Board and its committees are functioning efficiently and that the performance of every director continues to be effective and demonstrates the level of commitment towards the affairs of the Company.

The Independent Directors of the Company held a separate meeting without the attendance of Non Independent Directors and evaluated the performance of non-independent directors and the board as a whole and Chairman of the Company. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

FAMILIARISATION PROGRAMME :

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board Meetings, Committee Meetings and Independent Directors Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

NUMBER OF MEETINGS OF THE BOARD:

The details of the number of Meetings of the Board held during the Financial Year 2017-18 are given in the Corporate Governance Report which forms part of this report.

RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties during the year were in the ordinary course of business and on an arm's length basis. The Company has formulated a policy on "Related Party Transactions" and the process of dealing with such transactions, which are in line with the provisions of the Companies Act, 2013 and SEBI LODR. The same is available on the website of the Company www.srikalahasthipipes.com

Prior omnibus approvals from the Audit Committee are obtained for transactions which are repetitive and also normal in nature. Further, disclosures on related party contracts and arrangements are made to the Audit Committee and the Board on a quarterly basis.

During the year under review, there were no material related party transactions under regulation 23 (4) of SEBI LODR entered into by the Company, which necessitates approval of shareholders. Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC - 2, are provided at Annexure IV to this report and the related party disclosures as per Ind AS-24 have been provided in Note - 43 to the financial statement.

PARTICULARS OF EMPLOYEES:

The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, in terms of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid

information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is forming part of this report vide Annexure V.

QUALIFIED INSTITUTIONS PLACEMENT :

The shareholders of the Company had approved to raise funds upto INR 250 Crores by way of Qualified Institutions Placement (QIP) in order to cater to the business purposes, including repayment of long term and short term debt, to fund the organic and inorganic growth of the Company, to meet working capital requirements of the Company and for general corporate purposes. Your Company has successfully raised INR 250 Crores through its Qualified Institutional Placement (QIP) in the month of December, 2017, which saw participation by some reputed institutional investors. The company has issued 69,34,812 equity shares of face value of INR 10/- per equity share at INR 360.50, including a premium of INR 350.50 per share. This is an important milestone in the corporate journey of your Company and the response to this QIP issue is a testimony to the Company's growth oriented financial performance and the confidence reposed by the investors in the business model of your Company. Pending utilization of proceeds of QIP for the intended purposes, the un-utilized funds are now parked in mutual funds and fixed deposit with banks.

Energy conservation, technology absorption and foreign exchange earnings and outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure VI and forms part of this report.

OTHER DISCLOSURES:

Particulars of information forming part of the Board's Report pursuant to Section 134 of the Companies Act, 2013 and relevant Rules thereof, not covered elsewhere in the report due to non applicability are given hereunder :-

1. There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in their report or by the practicing Company Secretary in the Secretarial Audit Report.
2. The Company, as per its policy, has granted loans to employees aggregating INR 13.07 lakhs during the year ended 31st March, 2018.
3. Particulars of Loans or investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report. These loans are primarily granted for effective utilization of surplus funds available with the Company.
4. There are no material changes or commitments occurring after 31st March, 2018, which may affect the financial position of the Company or may require disclosure.
5. During the year under review, there has been no change in the nature of business of the Company.
6. The Company did not have any subsidiaries, joint ventures and associate companies, which have ceased during the year.
7. The Company has not accepted deposits under Chapter V of the Companies Act, 2013.
8. The Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

STATUTORY AUDITORS:

At the 25th Annual General Meeting (AGM) held on 27th September, 2017 M/s. Lodha & Co., Chartered Accountants (Firm Reg. No. 301051E), were appointed as Statutory Auditors of the Company for a term of five years (subject to ratification by shareholders at every AGM, if required, under the prevailing law at that time) to hold office from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company. Accordingly, the appointment of M/s. Lodha & Co is placed for your ratification in the ensuing AGM of the Company.

Further, the Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS:

In compliance with the provisions of Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, your Company is required to get its cost accounting records audited by a Cost Auditor in Practice. Accordingly, the Board at its meeting held on 28th April, 2018, has on the recommendation of the Audit Committee, appointed M/s. Narasimhamurthy & Co, Cost Accountants to conduct the audit of the cost accounting records of the Company for FY 2018- 19 on a remuneration of INR 1.40 lakhs plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification. The Cost Audit Report of the Company for the Financial Year ended 31 March, 2017 was filed in XBRL mode with the Ministry of Corporate Affairs within the stipulated due date.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules thereunder, Mr. S. Chidambaram, Company Secretary in Practice was appointed to conduct the secretarial audit of the Company for the FY 2017-18. The secretarial audit report confirming compliance by Practicing Company Secretary to the applicable provisions of the Companies Act, 2013, SEBI LODR Regulations, 2015 and other applicable laws is appended at Annexure VII to this report and it does not contain any qualification, reservation or adverse remark.

GREEN INITIATIVE :

In support of "Green Initiative" taken by the Ministry of Corporate Affairs ("MCA") in the Corporate Governance" by allowing service of documents by a Company to its Members through electronic mode, the Company will continue to send various communications and documents like notice calling general meetings, audited financial statements, directors' report, auditor's report etc., in electronic form, to the email address provided by the Members to the Depositories or to the Company.

Our Company impresses upon its shareholders to contribute to this green initiative in full measure by registering their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to take necessary steps for registering the same with the company so that they can also become a part of the initiative and contribute to the Green Movement.

ANNEXURES TO THE BOARD'S REPORT :

1. Corporate Governance Report is enclosed vide Annexure – I.
2. Pursuant to Regulation 34 of Listing Regulations 2015, Management Discussion and Analysis Report is enclosed vide Annexure – II.
3. Pursuant to Section 135 (4) (a) of the Companies Act, 2013 read with Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on CSR activities in the prescribed

format, forming part of the Director's Report is enclosed vide Annexure – III

4. Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related parties in the prescribed Form AOC-2, forming part of Directors' Report is enclosed vide Annexure – IV.
5. Disclosure under Section 197 (12) read with Rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 is enclosed vide Annexure – V.
6. Pursuant to Section 134 (3) (m) of the Companies Act, 2013, information relating to Conservation of Energy, Technology absorption and foreign exchange earnings and outgo is enclosed vide Annexure – VI.
7. Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014, the Secretarial Audit Report is enclosed vide Annexure – VII.
8. Pursuant to Section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual Return as provided under sub section (3) of Section 92 is enclosed vide Annexure – VIII.

DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms that:

- i. In the preparation of annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and

prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the company for the financial year ended 31st March 2018.

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.
- v. Sufficient internal financial controls have been laid down and such internal financial controls are adequate and were operating effectively,
- vi. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation for all levels of employees for their hard work, dedication, commitment and solidarity. Your Directors also acknowledge contributions of Bankers, Statutory Auditors, Cost Auditors, Secretarial Auditors and Internal Auditors and are grateful for their consistent support and cooperation. Your Directors also wish to thank all the shareholders, business partners and other stakeholders for reposing their faith, trust and confidence in your Company.

Your Directors also place on record their sincere appreciation for the valuable guidance received from Shri Mayank Kejriwal, Managing Director and for his constructive contribution in shaping the progressive growth of your Company.

For and on behalf of the Board of Directors

Date: 28th April, 2018.
Place: Chennai

G. Maruthi Rao
Chairman
DIN : 0083950



REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that good corporate governance emerges from the application of best management practices and compliance with the laws coupled with adherence to the highest standards of integrity, transparency, accountability and ethics in all business matters.

The Company also believes that sound corporate governance is critical to enhance and retain the investor trust. Our policies are based on ethical conduct and a commitment to building long term sustainable relationships with stakeholders. The Company continues to strengthen its governance principles to generate long term value for its stakeholders on sustainable basis by ensuring ethical and responsible leadership at both the Board and Management levels.

The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core team of top level executives, inducting competent professionals across the organization and putting in place appropriate systems, process and technology.

We also consider it as our inherent responsibility to disclose timely and accurate information regarding our financials and performance and governance of the Company. We are committed to a balanced corporate governance system which provides the framework for attaining the company's objectives encompassing practically every sphere of management from action plans and internal controls to corporate disclosures.

Your Company is not only in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") with regard to corporate governance but also committed to sound corporate governance principles & practices and constantly strives to adapt emerging best corporate governance practices being followed worldwide.

BOARD OF DIRECTORS:

The composition of the Board of your Company is in conformity with Regulation 17 of SEBI LODR. The number of Independent Directors is one-third of the total number of Directors on the Board of your Company, with Chairman of the Board being an independent director.

The Board of Directors of your Company are seasoned professionals drawn from diverse fields, possessing requisite qualifications and experience in

Annexure I to Directors' Report

general corporate management, finance, economics, science, engineering technology and other allied fields which enable them to contribute effectively to your Company and enhance the quality of Board's decision making process.

The Board being aware of its fiduciary responsibilities recognizes its responsibilities towards all stakeholders to uphold highest standards in all matters concerning the Company. It has empowered responsible persons to implement its broad policies, guidelines and has set up adequate review processes.

The Board provides strategic guidance on the affairs of the Company. The Independent Directors provide independent and objective judgement on matters placed before them.

The Independent Directors annually provide a certificate of independence in accordance with the applicable laws which is taken on record by the Board. All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. The appointment of the Managing Director and Whole-Time Director, including the tenure and terms of remuneration are also approved by the members at the first meeting after the said appointment.

All Board members are encouraged to meet and interact with the management. Board members are invited at key meetings of senior management for strategic guidance and advice.

Composition of Board:

The Board currently comprises of Nine Directors as categorized below.

Category	No. of Directors
Executive	3
Non-executive Independent (Includes 1 Woman Director)	3
Non-executive Non-independent	2
Nominee Director	1
Total	9

The Board of Directors and the position they hold in other public companies including private companies which are subsidiaries of public companies as on 31st March, 2018 unless otherwise stated are given in the following table: -

Name of Director	Executive / Non-Executive / Independent	No. of Other* Directorships held	Other* Committee# positions held	
			As Chairman	As Member
Shri G. Maruthi Rao	Chairman - Non-Executive - Independent	-	-	-
Shri Mayank Kejriwal	Managing Director - Executive	7	-	1
Shri R. K. Khanna	Non-Executive - Independent	1	1	-
Shri Gouri Shankar Rathi	Whole-time Director - Executive	-	-	-
Shri S. Y. Rajagopalan	Non-Executive - Non-Independent	1	-	-
Ms. S. Hemamalini	Non-Executive - Independent	-	-	-
Shri V. Poyyamozhi	Whole-time Director - Executive	-	-	-
Ms. Priya Manjari Todi	Non-Executive - Non-Independent	-	-	-
Shri Kartikeya Misra, IAS (i) Nominee of APIDC (Equity Investor)	Non-Executive - Nominee Director	-	-	-
Shri Sidharth Jain Fouzdar, IAS (i)	Non-Executive - Nominee Director	-	-	-
Shri Solomon Arokia Raj, IAS (ii)	Non-Executive - Nominee Director	4	-	-

i. APIDC nominated Shri Sidharth Jain Fouzdar, IAS as its nominee in place of Shri Kartikeya Misra, IAS with effect from 10th August, 2017.

ii. APIDC nominated Shri Solomon Arokia Raj, IAS as its nominee in place of Shri Sidharth Jain Fouzdar, IAS with effect from 28th April, 2018.

* Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Only two Committees viz, Audit, and Stakeholders' Relationship Committees have been considered for this purpose.

None of the Non-Executive Directors have any pecuniary relationship or transaction with the Company in their personal capacity.

BOARD PROCEDURES AND INFORMATION PLACED BEFORE THE BOARD:

Detailed agenda is sent to each Director at least 7 days in advance of Board and Committee meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are placed with the permission of the Chairman. To enable the Board to discharge its responsibilities effectively, the Managing Director or Whole-time Director presents during every Board meeting, the overall performance of the Company.

The Board reviews strategic, business, annual operating plans, capital expenditure budgets, investment, exposure limits, compliance reports of all laws applicable to the Company, and steps taken by the Company to rectify instances of non-compliances, if any. The Board also reviews major

legal issues, minutes of meeting of various committees of the Board, significant transactions and arrangements entered into with the related parties, adoption of financial results, transactions pertaining to purchase or disposal of properties, major accounting provisions and write-offs, material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of your Company, quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement and information on recruitment of Senior Officers just below the Board level and Key Managerial Personnel.

The Company Secretary records minutes of proceedings of each Board and Committee meetings. Draft minutes are circulated to Board/ Committee members within 15 days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within seven days from the date of circulation. The minutes are entered in the minutes book within 30 days from the conclusion of the meeting and signed by the Chairman at the subsequent meeting.

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/ divisions. Action-taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committee for noting.

Apart from Board members and the Company Secretary, the Board and Committee meetings are also attended by the Chief Financial Officer and wherever required by the heads of various corporate functions.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year 2017-18, Seven Board Meetings were held and the dates of meetings are as follows:

29th April, 2017, 12th May, 2017, 27th May, 2017, 10th August, 2017, 27th September, 2017, 27th October, 2017, and 31st January, 2018.

The following table highlights the attendance of each Director at the respective meetings during the year 2017-18:

Name of Director	Board Meetings		AGM
	Held	Attended	
Shri Mayank Kejriwal	7	3	NO
Shri G Maruthi Rao	7	7	YES
Shri Gouri Shankar Rathi	7	7	YES
Shri V. Poyyamozhi (i)	4	4	YES
Shri S. Y. Rajagopalan	7	7	YES
Shri R. K. Khanna	7	5	NO
Ms. S. Hemamalini	7	7	NO
Ms. Priya Manjari Todi (ii)	1	1	NA
Shri Kartikeya Misra, IAS (iii)	3	0	NA
Shri Sidharth Jain Fouzdar, IAS (iii)	4	0	NO
Shri Solomon Arokia Raj, IAS, (iv)	-	-	NA

- Appointed as Whole-time Director with effect from 10th August, 2017.
- Appointed as additional director with effect from 31st January, 2018.
- APIDC nominated Shri Sidharth Jain Fouzdar, IAS as its nominee in place of Shri Kartikeya Misra, IAS with effect from 10th August, 2017.
- APIDC nominated Shri Solomon Arokia Raj, IAS as its nominee in place of Shri Sidharth Jain Fouzdar, IAS with effect from 28th April, 2018.

Familiarisation Programme for Independent Directors:

During the year, the Independent Directors were apprised at frequent intervals on the industry trends, business model and the overview of the Company and its operations by the senior management team. Further, various business unit heads made presentations to the Independent Directors at periodic intervals on the performance and future strategy of their respective business units. The Independent Directors were also regularly apprised of all regulatory and policy changes including their roles, rights and responsibilities. Presentations on internal control over financial reporting, operational control over financial reporting, Prevention of Insider Trading Regulations, SEBI LODR, framework for Related Party Transactions, etc. were made to the Independent Directors.

Familiarisation programme for Independent Directors is placed at the website of the Company www.srikalahasthipipes.com.

Meeting of Independent Directors :

The Independent Directors of your Company met on 31st January, 2018 without the presence of Non-Independent Directors and members of the management. The meeting was conducted in an informal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non- Independent Directors and the Board as a whole. They also reviewed the performance of the Chairman of the Company after taking into account the views of the Executive and Non-Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Disclosure regarding Appointment/Re-appointment of Directors

The brief information required to be disclosed under this Section is provided in the Notice of the Annual General Meeting.

Audit Committee:

The Audit Committee comprises of three Non- Executive Directors, two of whom are Independent Directors. Mr. R. K. Khanna is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR Regulations).

The Audit Committee assists the Board in discharging of its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

Broad terms of reference of the Audit Committee are as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with the management the financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
 - Changes to any accounting policies and practices.
 - Major accounting entries based on the exercise of judgement by Management.
 - Significant adjustments if any, arising out of audit findings.
 - Compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements.

5. Disclosure of any related party transactions.
6. Modified opinion (s) in the draft audit report.
- c. Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of statutory auditors, secretarial auditors and cost auditors of the Company.
- d. To review reports of the Management Auditors and Internal Auditors and discussion on any significant findings and follow up there on.
- e. Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and the Company's statement on the same prior to endorsement by the Board.
- f. Evaluation of the internal financial controls and risk management systems.
- g. To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h. To approve transactions of the Company with related parties and subsequent modifications of the transactions with related parties.
- i. In addition, the powers and role of the Audit Committee are as laid down under Regulation 18(3) and Part C of Schedule II of the SEBI (LODR Regulations) and Section 177 of the Companies Act, 2013.

The Audit Committee during the year ended 31st March, 2018 had four meetings i.e. on 12th May, 2017, 10th August, 2017, 27th October, 2017 and 31st January, 2018.

The composition of the Audit Committee as on 31st March, 2018 and attendance during the year are as under:

Sl.No.	Name of Directors	Position	Executive / Non-Executive / Independent	No. of meetings attended
1	Shri R. K. Khanna	Chairman	Independent, Non-Executive	4
2	Shri G. Maruthi Rao	Member	Independent, Non-Executive	4
3	Shri S. Y. Rajagopalan	Member	Non-independent, Non-Executive	4

The Audit Committee met on 28th April, 2018 for considering finalization of accounts for the year ended 31st March, 2018.

Mr. G. Kodanda Pani Dy. General Manager (Finance) & Company Secretary acts as the Secretary to the Audit Committee. The Managing Director, Statutory Auditors and Internal Auditors, Key Managerial Personnel and Senior Executives attend the meetings to answer the queries raised by the Committee.

Shri R. K. Khanna, Chairman of the Audit Committee had nominated Shri S.

Y. Rajagopalan, Member of the Audit Committee to attend the last Annual General Meeting of the Company held on 27th September, 2017 on his behalf in the capacity of Chairman to answer the queries of shareholders.

NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of two Non-Executive Independent Directors and one Non-Executive Non-Independent Director.

The composition of the Nomination & Remuneration Committee as on 31st March, 2018 and attendance during the year are as under:

Sl.No.	Name of Directors	Position	Executive / Non-Executive / Independent	No. of meetings attended
1	Shri R.K.Khanna	Chairman	Independent, Non-Executive	4
2	Shri G.Maruthi Rao	Member	Independent, Non-Executive	4
3	Shri S.Y.Rajagopalan	Member	Non-Independent, Non-Executive	4

The Nomination and Remuneration Committee met four times during the year on 12th May, 2017, 10th August, 2017, 27th September, 2017 and 31st January, 2018. The necessary quorum was present at all the meetings. Shri R. K. Khanna, Chairman of the Nomination and Remuneration Committee had nominated Shri S. Y. Rajagopalan, Member of the Nomination and Remuneration Committee to attend the last Annual General Meeting of the Company held on 27th September, 2017 on his behalf in the capacity of Chairman to answer the queries of shareholders.

The Nomination and Remuneration Committee and the Policy are in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Key objectives of Nomination and Remuneration Committee are as under:

- a. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel (hereinafter referred to as "KMP") and Senior Management.
- b. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

- c. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- d. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- e. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in the policy.
- f. Formulate the criteria for evaluation of performance of independent directors and other directors.

Remuneration to Directors

Remuneration paid to Executive and non-executive directors of the Company as recommended by Nomination & Remuneration Committee is within the overall limits prescribed under Sections 197 & 198 of the Companies Act, 2013.

Having regard to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 28th April, 2018 approved remuneration to executive and non-executive directors as given in table

hereunder. The total amounts with sitting fees for attending the meetings of the Board and its Committees paid to Non-executive directors are also

given in the table below :-

Name of the Director	Commission/Remuneration (INR)	Sitting Fees (INR)	Total (INR)
Shri Mayank Kejriwal	8,70,00,000	---	8,70,00,000
Shri G Maruthi Rao	6,00,000	6,15,000	12,15,000
Shri Gouri Shankar Rathi	1,94,31,179	---	1,94,31,179
Shri V. Poyyamozhi	78,35,302	---	78,35,302
Shri S.Y.Rajagopalan	6,00,000	6,55,000	12,55,000
Shri R.K.Khanna	6,00,000	5,85,000	11,85,000
Smt S.Hemamalini	6,00,000	3,95,000	9,95,000
Smt Priya Manjari Todi	6,00,000	45,000	6,45,000
Total	11,72,66,481	22,95,000	11,95,61,481

Notes :

1. There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31.3.2018, other than those disclosed under related party transactions elsewhere in the Annual Report.
2. No stock options have been granted to any Director of the Company.

Performance Evaluation:

Pursuant to provisions of the Companies Act, 2013 and SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and the guidance issued by SEBI the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The performance evaluation of Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed its satisfaction over its own performance, performance of its Committees and all the Directors individually.

The criteria for nomination of Directors, KMP, Senior Management Personnel and their remuneration including criteria for promotion is described in Nomination and Remuneration Policy of the Company which can be accessed at the website of the Company www.srikalahasthipipes.com.

Subsidiaries:

The Company has no subsidiary.

Details of Equity Shares of the Company held by Non-Executive Directors as on 31st March, 2018:

Name of the Non-Executive Director	No. of shares
Shri G. Maruthi Rao	Nil
Shri S. Y. Rajagopalan	Nil
Shri R. K. Khanna	Nil
Smt. S. Hemamalini	Nil
Smt. Priya Manjari Todi	Nil
Shri Solomon Arokia Raj, IAS	Nil

Management:

Management Discussion & Analysis forms part of the Directors' Report.

CEO/CFO Certification:

The CEO (Managing Director) and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Regulation 33(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct:

The Board of Directors of the Company adopted a Code of Conduct for Board Members and Senior Management. The Code Highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all Board of Directors and specified Senior Management Executives. The Code impresses upon Directors and Senior Management Executives to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code has been posted on the website of the Company www.srikalahasthipipes.com

The Board members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Managing Director of the Company is part of this Report.

Prevention of Insider Trading Code:

The Company has formulated a comprehensive Code of Conduct for Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information to its Directors, Promoters, Key Managerial Personnel and Designated Persons, which is in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The policy and the procedures are periodically communicated to the employees

who are considered as insiders of the Company. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Promoters, Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed and other certain situations.

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, all Board members have confirmed compliance with the Code. The Code of Conduct to Regulate, Monitor & Report Trading by Insiders as per the SEBI (Prohibition of Insider Trading) Regulation 2015 is available in the Company's website www.srikalahasthipipes.com.

Whistle Blower (Mechanism) Policy:

The Company has formulated a Whistle Blower Policy, wherein the Employees/Directors/Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. This mechanism provides safeguards against victimisation of Employees, who report under the said mechanism.

STAKEHOLDERS RELATIONSHIP COMMITTEE :

The composition of Stakeholders Relationship Committee is as follows:

Sl. No.	Name of Directors	Position	Executive / Non-Executive / Independent	No. of Meetings attended
1	Shri R.K. Khanna	Chairman	Independent, Non-Executive	4
2	Shri S.Y. Rajagopalan	Member	Non-independent Non-Executive	4
3	Shri G.S. Rathi	Member	Executive	4

The terms of reference of the committee:

The terms of reference of the committee:

The Stakeholders Relationship Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the SEBI (LODR Regulations).

The terms of reference of the Committee are as follows:

- To review the reports submitted by the Registrars and Share Transfer Agents of the Company at quarterly intervals.
- To review and ascertain the quality of the Company's Shareholders /

Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.

- To periodically report to the Board about serious concerns if any.
- To consider and resolve the grievances of the security holders of the Company.

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has delegated powers of share transfers to M/s. Karvy Computershare Private Limited (KCPL), Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. KCPL reviews share transfers every fortnight. All transfers, complaints, and other matters relating to shares are discussed at the Committee / board meeting every quarter.

a. Details of queries/ complaints received and resolved during the year 2017-18:

The total number of complaints received and resolved during the year was:

Nature of Complaints	Opening	Received During the year	Resolved	Pending Resolution
Non-Receipt of Dividend Warrants	Nil	16	16	Nil
Non-Receipt of Share Certificates	Nil	7	7	Nil
Non-Receipt of Annual Reports	Nil	1	1	Nil
Total	Nil	24	24	Nil

As confirmed by M/s Karvy Computershare Private Ltd (RTA of the Company) the complaints are generally attended within 15 days from the date of receipt.

b. Transfer of amounts to Investor Education and Protection Fund (IEPF) :

Pursuant to Section 124 of the Companies Act, 2013, unclaimed dividend of INR 5,32,447 pertaining to FY 2009-10 was transferred to Investor Education and Protection Fund of the Central Government.

In compliance with Section 124 of the Companies Act, 2015, the un-claimed dividend for the financial years 2010-11 and onwards will become transferable at the end of seven years from the respective dates of transfer of such amount to the unclaimed dividend accounts of the Company to IEPF and thereafter, no claim shall be entertained in respect of the dividend transferred to the Fund. The details of unclaimed dividend transferable to the said Fund are given below.

Year	Dividend per share (RS)	Date of declaration	Proposed date of transfer to IEPF account
2010-11	1.50	25.08.2011	24.09.2018
2011-12	Nil	-	-
2012-13	Nil	-	-
2013-14	1.50	27.09.2014	26.10.2021
2014-15	3.00	24.08.2015	23.09.2022
2015-16	5.00	29.08.2016	28.08.2023
2016-17	6.00	27.09.2017	26.09.2024

c. Transfer of un-claimed shares to IEPF Authority :

Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the company is required to transfer the equity shares in respect of which dividends have not been claimed for the last 7 years by any shareholder to the IEPF Authority. Accordingly, the unclaimed shares of concerned shareholders whose shares are liable to be transferred to IEPF Authority have been transferred by the Company to IEPF Demat Suspense Account. The details of such unclaimed shares which have been transferred to the IEPF Authority are available on the website of the Company www.srikalahasthipipes.com.

d. Details of un-claimed De-mat Suspense account :-

As on 31 March 2018, there are no shares lying in the demat suspense account/unclaimed suspense account.

COMPLIANCE OFFICER:

G. Kodanda Pani, Company Secretary,
Rachagunneri-517641,
Srikalahasthi Mandal, Chittoor District, AP,
Ph: 08578-286650-55, Fax: 08578-286657,
E-mail: companysecretary@srikalahasthipipes.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee constituted by the Company is in line with the provisions of Section 135 of the Companies Act 2013.

The terms of reference of the CSR Committee broadly comprises:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy (including amendments to the policy from time to time based on regulatory changes) indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities to be undertaken by the Company, from time to time.

The CSR Policy of the Company is available on the Company's website www.srikalahasthipipes.com.

The composition of the Corporate Social Responsibility Committee as on 31st March, 2018 is as under:

Sl. No.	Name of Directors	Position	Executive / Non-Executive / Independent	No. of Meetings attended
1	Shri G. S. Rathi	Chairman	Non-Independent, Executive	2
2	Shri G. Maruthi Rao	Member	Independent, Non-Executive	2
3	Shri R. K. Khanna	Member	Independent, Non-Executive	2

GENERAL MEETINGS**a. Location and time of last three Annual General Meetings:**

Date	Venue	Time
24.08.2015	Registered Office, Rachagunneri Village, Srikalahasthi Mandal, AP.	11.30 A.M.
29.08.2016	Registered Office, Rachagunneri Village, Srikalahasthi Mandal, AP.	11.30 A.M.
27.09.2017	Registered Office, Rachagunneri Village, Srikalahasthi Mandal, AP.	11.30 A.M.

b. Special Resolutions passed in the last three Annual General Meetings :

Date of AGM	Details of Special Resolutions passed by members with requisite majority
24.8.2015	<ul style="list-style-type: none"> To approve the Related Party Transactions to be entered into with Electrosteel Castings Limited To Approve the appointment of Shri G S Rathi as whole time director liable to retire by rotation for a period of 5 years
29.08.2016	Nil
27.09.2017	Nil

c. Postal Ballot

No Special Resolution requiring Postal Ballot was passed in the last Annual General Meeting and no Special Resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

DISCLOSURES

- Pursuant to Clause 13 of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Company has specifically complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of LODR, in addition to general compliance with all the mandatory requirements as specified in LODR.
- All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year were in the ordinary course of business and on arm's length basis. These transactions with the related parties are disclosed in Note 43 of Notes to the Financial Statements.
- None of the transactions with Related Parties was in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large are carried out on an arm's length basis or fair value.
- The Managing Director has given declaration to the Board that he has no personal interest in any material, commercial and financial transactions that may have any potential conflict with the interest of the Company at large.
- No penalties or strictures were imposed on the Company for non-compliance by Stock Exchange / SEBI or any authority on any matter related to capital markets during the last 3 years.
- The CEO (Managing Director) and the CFO have furnished a Certificate to the Board for the year ended 31st March, 2018 in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Disclosure of Accounting Treatment: In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.
- Risk Management: Board periodically reviews the compliance of all laws, regulations and various risks affecting the Company. Various Risk Management Systems adopted to mitigate the risks are also reviewed by the Board. Risk Management Policy approved by the Board can be accessed at the website of the Company www.srikalahasthipipes.com.

MEANS OF COMMUNICATION:

The Company publishes vital information about the Company and its performance, including quarterly results, official news releases and communication to investors and analysts on its website: www.srikalahasthipipes.com regularly for the benefit of all its stakeholders. During the year, the quarterly, half-yearly and annual results of the Company's performance have been published in leading newspapers, such as Business Line (all editions) and Surya (Tirupati). News releases, official news and media releases are sent to the stock exchanges as and when issued / released.

Website:

The Company's website www.srikalahasthipipes.com contains a separate dedicated section 'Investors' where shareholders' information is available. The information such as press releases, notice of Board meeting, outcome of Board meeting, revision in credit rating and the basic information about the Company, as called for in terms of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded on the website. The Company's Annual Report is also uploaded on the website in a user-friendly and downloadable form.

Presentations to Institutional Investors/Analysts :

Presentations are made to institutional investors and financial analysts on the quarterly financial results of the Company. These presentations are also uploaded on the Company's website www.srikalahasthipipes.com and are sent to stock exchanges. The schedule of meetings with institutional investors/ financial analysts are intimated in advance to the stock exchanges and disclosed on the company's website. Further, the investors and analysts are provided with detailed explanations on the financials of the Company by the senior members of Finance team.

Stock Exchanges :

NSE Electronic Application Processing System (NEAPS), the NEAPS and BSE's Listing Centre are web-based applications designed by NSE and BSE respectively to facilitate corporate filings by the listed Companies. All periodical compliance filings like shareholding pattern, Corporate Governance Report, financial results, media releases etc. are filed electronically in the respective web based portals of the exchanges where the shares of the Company are listed..

SHAREHOLDERS

Annual Report containing, inter alia, Audited Financial Statements, Board's Report, Independent Auditor's Report and other important information, is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

GENERAL SHAREHOLDERS' INFORMATION:

The following information would be useful to our shareholders:

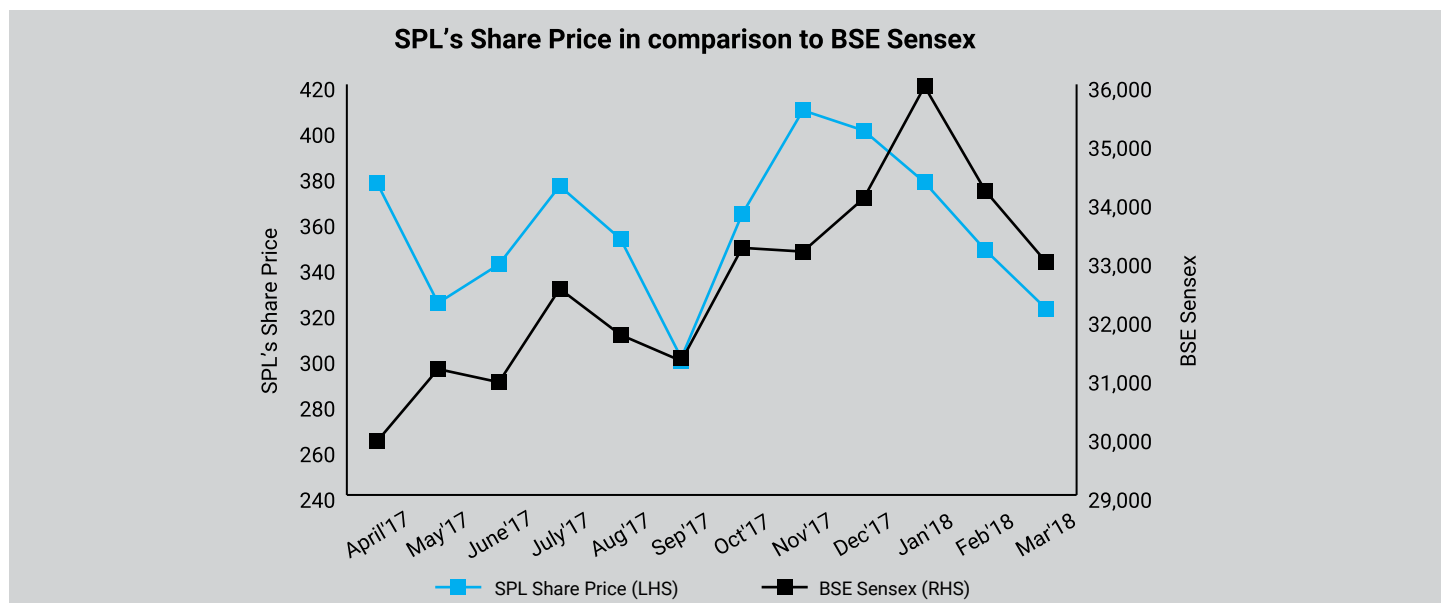
Sl. No	Information	
1	Annual General Meeting	
	- Date and Time	: 19th September, 2018 at 11.30 AM
	- Venue	: At Registered Office: Rachagunneri Village-517641, Srikalahasthi Mandal, AP.
2	Financial Calendar	Tentative Schedule
	Financial Reporting for the Quarter ended June 30, 2018	: End July, 2018.
	Financial Reporting for the Quarter ended September 30, 2018	: End October, 2018.
	Financial Reporting for the Quarter ended December 31, 2018	: End January, 2019.
	Financial Reporting for the Quarter ended March 31, 2019	: End April, 2019.
	Annual General Meeting for the year ending March 31, 2019.	: End August, 2019.
3	Book Closure Date (Both days inclusive)	: 13th September, 2018 to 19th September, 2018.
4	Dividend payment date	: 23rd September, 2018.
5	Listing Details:	
	- Equity Shares	: Listed at BSE Limited & National Stock Exchange of India Ltd. (NSE)
6	Stock Code/Symbol (BSE & NSE)	: 513605 & SRIPIPES
7	Demat ISIN Number for NSDL & CDSL	
	- Equity Shares	: INE943C01027
8	Corporate Identity Number	: L74999AP1991PLC013391

Stock Market Data:

Month	Bombay Stock Exchange (BSE)		
	High (INR)	Low (INR)	Volume
Apr-17	388.95	356.20	595161
May-17	373.30	320.70	410550
Jun-17	356.20	322.25	200107
Jul-17	393.80	348.45	656996
Aug-17	372.80	346.80	242626
Sep-17	358.25	298.55	345074
Oct-17	366.40	310.75	514177
Nov-17	419.60	355.05	1432687
Dec-17	416.70	357.30	770344
Jan-18	441.50	377.05	811654
Feb-18	378.90	346.30	319534
Mar-18	347.35	309.95	631675

National Stock Exchange(NSE)		
High (INR)	Low (INR)	Volume
389.40	356.55	2866345
372.50	320.35	2523188
356.10	322.40	1677885
395.05	347.60	2970462
374.15	347.90	1318105
357.70	298.35	1959766
365.50	309.25	3625224
418.15	354.70	7009393
416.80	359.15	4431998
442.40	376.40	4769047
378.28	346.50	2625417
347.10	310.65	1854770

Share Price Performance of Srikalahasthi Pipes Ltd in comparison to BSE Sensex



Registrar & Share Transfer Agents:

M/s. Karvy Computershare Private Limited (KCPL), Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.

Share Transfer System:

Share transfers are processed and share certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. Share transfers are approved weekly. The Company obtains from a Practising Company Secretary half-yearly certificate regarding compliance with the share transfer formalities as required under Regulation 40 (9) of Listing Regulations, 2015 and also files a copy of said certificate with Stock Exchanges as stipulated in the said regulation.

Dividend History for the last 5 years is as under:

Financial Year	Dividend Rate (%)	Amount including Dividend Tax (INR Lakhs)
2012-13	-	-
2013-14	15	697.82
2014-15	30	1435.74
2015-16	50	2392.90
2016-17	60	2874.33

Distribution of Shareholding as on March 31, 2018:

Sl No.	Category		Number of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
	From	To				
1	1	5000	28646	88.94	3093764	6.62
2	5001	10000	1651	5.12	1320414	2.83
3	10001	20000	876	2.72	1331473	2.85
4	20001	30000	328	1.02	853571	1.83
5	30001	40000	183	0.57	658181	1.41
6	40001	50000	107	0.33	499406	1.07
7	50001	100000	202	0.63	1491977	3.19
8	100001	And above	215	0.67	37449621	80.20
	Total		32208	100.00	46698407	100.00

Categories of Shareholding as on 31st March, 2018 :

Sl. No.	Category	No. of shares held	Percentage of shareholding
A.	PROMOTERS HOLDING		
1	Promoters	-	-
	a) Indian Promoters		
	i. Electrosteel Castings Limited	20193178	43.24
	ii. Others		
	b) Foreign Promoters	-	-
2	Persons Acting in Concert	-	-
	Sub-Total	20193178	43.24
B.	NON-PROMOTERS HOLDING		
3	Institutional Investors		
	a) Mutual Funds and UTI	6486909	13.89
	b) Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	305610	0.65
	c) FII's	2399572	5.14
	Sub-Total	9192091	19.68
4	Others		
	a) Private Corporate Bodies	3356751	7.19
	b) Indian Public	13033228	27.91
	c) NRIs / OCBs	603015	1.29
	d) Any other (Clearing Members)	320144	0.69
	Sub-Total	17313138	37.08
	GRAND TOTAL	46698407	100.00

Dematerialization of Shares and Liquidity:

Since the Company has entered into an agreement with both the depositories namely NSDL and CDSL for dematerialization of its Shares, the Shareholders of the Company have the choice to dematerialize their shares and keep them in dematerialized form with any depository participant. About 98.99% of total equity share capital is held in dematerialized form with NSDL & CDSL as on 31st March, 2018.

Outstanding convertible Instruments:

As on 31.3.2018, there are no outstanding convertible instruments.

Registered Office & Works:

Rachagunneri -517641, Srikalahasthi Mandal, Chittoor District, A.P., India., Ph. No: 08578-286650 – 655 (6 Lines)

Members can contact us at our Registered Office as per the details given above.

Status of Non-Mandatory requirements:

i. Audit Qualifications:

There are no qualifications or adverse remarks in the Auditor's Report

which require any clarification / explanation. The notes to accounts forming part of the financial statements are self explanatory and needs no further explanation.

ii. Other Items:

The non-mandatory requirements viz., Shareholder Rights and other matters as mentioned in the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be implemented by the Company when required and/or deemed necessary by the Board.

Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

Declaration by the Managing Director as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
Srikalahasthi Pipes Limited

This is to certify that:

1. In pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Code of Conduct has been laid down by the Company for all the Board Members and the Senior Management Personnel of the Company.
2. The said Code of Conduct is also uploaded on the website of the Company at www.srikalahasthipipes.com.
3. All Board Members and Senior Management Personnel have affirmed having complied with the said Code of Conduct, during the year ended 31st March, 2018.

For Srikalahasthi Pipes Limited

Place: Chennai
Date: 28th April, 2018

Mayank Kejriwal
Managing Director

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Srikalahasthi Pipes Limited

This Certificate is issued in accordance with the terms of our engagement with Srikalahasthi Pipes Limited ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2018 as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations') ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. ('Listing Regulations'). This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Managements' Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

Based on the procedures performed by us as referred above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Lodha & Co,

Chartered Accountants
 Firm ICAI Registration No.:301051E

Place: Chennai
 Date: 28th April, 2018

R. P. Singh
 Partner
 Membership No: 052438



MANAGEMENT DISCUSSION & ANALYSIS

Annexure II to Directors' Report

OVERVIEW OF ECONOMY

GLOBAL ECONOMY OVERVIEW

The acceleration in global activity that started in 2016 gathered steam in 2017, reflecting firmer domestic demand growth in advanced economies and improved performance in other large emerging market economies. Global growth is set to be just over 3.5% in this calendar year 2018, the fastest for seven years, with improved outcomes in both advanced economies and the EMEs. Confidence measures and levels of new orders for businesses remain strong. This long awaited lift to global growth, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth. The continued expansion depends on robust global growth and governments' support for right trade policies. However, there are signs that escalating trade tensions may already be affecting business confidence and investment decisions, which could compromise the current outlook. (Source: IMF and OECD).

INDIAN ECONOMY OVERVIEW

Indian economic growth is giving a positive signal for the current and future scenario. It is projected to strengthen to above 7%, gradually recovering from the transitory adverse impact of rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetisation. India's GDP grew 7.2% in the third quarter of 2018, surpassing expectations. Reserve Bank of India has estimated GDP growth in a range from 7.4% to 7.9% for the Financial Year 2019-2020. (Source: OECD and Economic Times)

Fiscal deficit for 2017-18 is revised to INR 5.95 lakh Cr at 3.5% of the GDP which is approximately the same as 2016-17 inspite of transformation in the economy. In addition to initiatives like; "Make in India", "Housing for All", "Digital India" government has also introduced "Sagar Mala" and "Bharat Mala" initiatives which is expected to boost the domestic growth of the country. (Source: IBEF and Trading Economics)

Ductile Iron Pipes Industry Outlook

In terms of consumption, India's DI pipes industry has posted a ~10% CAGR over the past five years. Increased spending by both Central and State governments to improve water accessibility and sanitation infrastructure

has driven industry growth over the past few years. The DI pipes industry is catered by few domestic players with the top three players accounting for over 45% capacity in the industry.

The use of DI pipes has been rapidly growing over the past few years owing to its high tensile strength, corrosion resistance and long service life of 70-90 years. These advantages make DI pipes the most sought piping solution for transporting water and sewage. Recently, the DI pipes industry has seen strong demand from various projects of central and state governments.

Increasing population rate, rising FDI in construction and development, high investment in improving gas distribution network and increasing number of housing units are some other key factors that may have positive impact on the market creating additional and replacement demand in the future, according to the Analyst at Ken Research. It is anticipated that demand for DI pipes will continue to increase in India owing to huge investment in water infrastructure, improving sanitation facilities and increasing awareness on using good quality and durable pipes.

Urbanization increasing the need for water supply network and concentrated market space is anticipated to push market growth for DI Pipes. India is the second most populous country in the world but it is leading in terms of lack of water supply and sanitation facilities. The Ministry of Water Resources estimated that by the year 2025, the requirement for water in India will increase to 120 billion cubic meters. This has significantly increased the demand of DI pipes for construction of potable water supply projects, sanitation facilities and water supply infrastructures.

Demand Drivers for Ductile Iron Pipes

The market for DI Pipes is expanding owing to increase in water development infrastructure, increasing awareness on water conservation and aim to become 100% open defecation free nation. In India, only 33% of the total population is having access to improved sanitation. In rural areas (which accounts for 72% of India's living population), only 22% has better coverage for sanitation. The Government is making various efforts to improve this number. It has allotted over INR 1 lakh Cr for its ambitious water supply and sewerage projects on priority through Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission (under which INR 100 Cr is allocated for each smart city for a period of 5 years).

The major aim of these projects is to make sure that the citizen of India has optimum access to safe and hygienic drinking water. The Government of India has been focusing on providing housing to each and every citizen of India by 2022. Rise in number of houses in the country will increase the need for constructing pipe infrastructure to transport water.

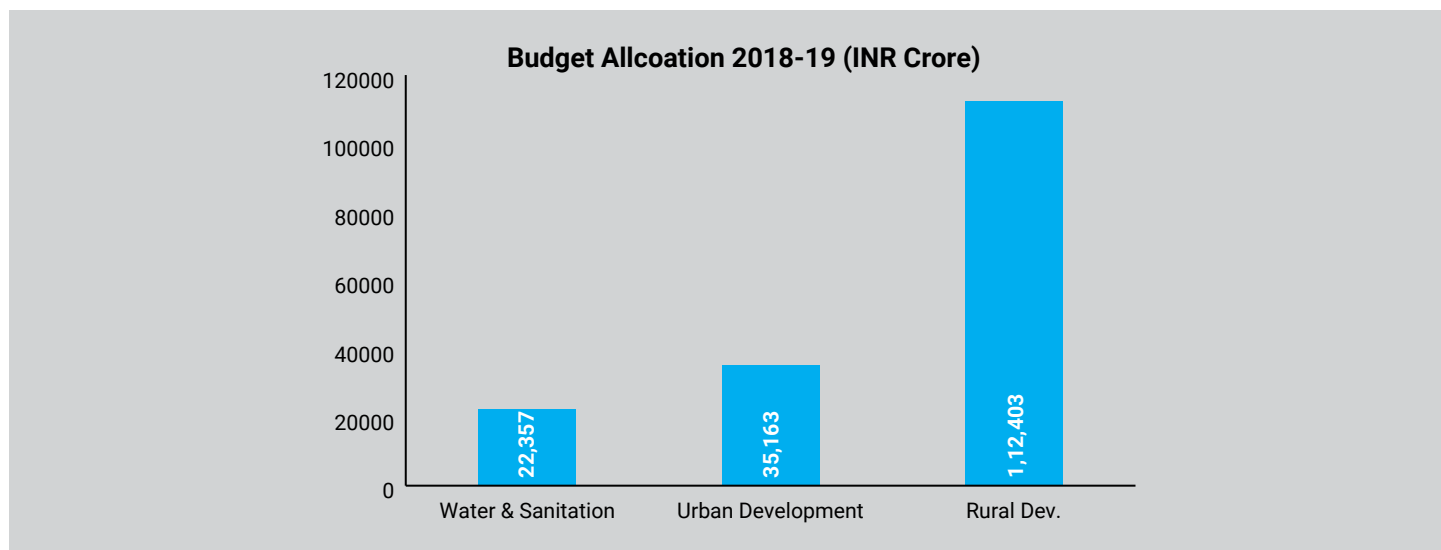
Government introduced 'Make in India' initiative which has brought ease for foreign players to manufacture pipes in India and sell at lower cost, avoiding excise duties and taxes. The Government's continued thrust on water supply & sanitation infrastructure is reflected in steady increase in its allocations through related schemes over the years.

The Ministry of Drinking Water and Sanitation, which implements the Swachh Bharat Abhiyan, has been allocated INR 200 Bn for 2017-18, which is a marked 21% increase from revised estimates of 2016-17. Over the past ten years, the allocation to the Ministry of Drinking Water and Sanitation has seen an annual average steady increase of 10%. The allocation under PMAY (Pradhan Mantri Awas Yojana; with Government initiatives and increased preference for DI pipes, we expect the DI Pipes market to grow at a healthy pace in the coming years. Increasing investments in water supply and sanitation infrastructure would certainly boost the demand for DI pipes and result in improved order backlog for established DI pipe manufacturers.

Government's Housing for all by 2022 focuses building 2 crore houses for poor including economically weaker sections and lower income groups. Majorly driven by high demand in domestic market. Indian Companies' focus on increasing their exports and enhancing production levels & production capacities would aid in sustaining growth of the market. Aiming to build 1 Cr houses by 2019) has been increased by 53% to INR 230bn for 2017-18. Further, in Union Budget 2017, open defecation free villages have been given priority for piped water supply. The Government targets 90% piped water coverage in rural areas by 2020 (was 31% in 2011).

Atal Mission for Rejuvenation and Urban Development (AMRUT) and various other State level projects. The major purposes of AMRUT (Atal Mission for Rejuvenation and Urban Transformation) is to ensure that every household has access to a tap with assured water supply and a sewage connection. Project approval is provided once a year by the Ministry of Urban Development (MoUD) on the basis of the State Annual Action Plans (SAAP) post which, the states have to give project sanctions and approvals. In this way, the AMRUT makes states equal partners in planning and implementation of projects. The total amount of investment envisaged in AMRUT over 2017-2020 is to the tune of INR 573 Bn, out of which ~INR 350 Bn is to be spent on Water Supply and Sewage projects, which will surely be one of the biggest impetus for the growth of DI pipes industry.

Expected spend towards drinking water and sanitation, Rural and Urban Development Projects & Schemes:



Growth Drivers for Ductile Iron Pipes

Infrastructure needs for water supply and sewage opens up wide avenues for DI pipes

According to government data, an estimated 62,000 Mn litres of sewage is generated per day in urban areas, while the treatment capacity across the country is only 23,277 Mn litres per day (i.e. 37%). Out of 816 municipal sewage treatment plants (STPs) listed across India, only 522 are functional, which means that only 18,883 Mn litres per day of sewage actually gets treated, implying that 70% of the sewage generated in urban India goes untreated. In case of class-I cities (with a population of >100,000) and class-II towns (population of 50,000-100,000), sewage generation is estimated at 38,255 Mn litres per day, of which only 11,787 Mn litres per day (30%) gets treated. An estimated 75% to 80% of water pollution is from domestic sewage, discharged untreated into local water bodies. Thus sewage treatment, which is currently a thrust area for both the state and central governments, will also generate significant demand for DI pipes.

Irrigation, the next growth driver

According to the National Commission for Integrated Water Resources Development (NCIWRD, 1999), India will require about 450 Mn tonnes of

food grains per annum to feed the population of over 1.5 Bn in 2050. To meet this requirement, the country needs to expand its irrigation potential to 160 Mn hectares for all crops by 2050, which stood at ~66mn hectares in 2012-13.

Despite concentrated efforts to tap irrigation potential, there is still a large area which is yet to be provided with irrigation facilities. With total water consumption projected to rise to ~910 BCM by 2025, the focus of the government is to bring down the gross water usage per hectare of the gross irrigated area, which currently at ~1.45m (4.8 feet) is very high compared to developed countries like USA where usage is 90cm per hectare. This overuse is due to low irrigation efficiency at ~25- 35% in most irrigation systems in the country. The irrigation efficiency is low due to the large open sources like tube wells (46%) and canals (24%) used for irrigation.

Raw Material Management:

The company believes that efficient functioning of procurement team is imperative for the performance of the company. The commercial function of the Company is continuously focused towards achieving efficiency in the procurement, logistics and utilization of inputs, forecasting of price trends, inventory control and ensures sourcing of right material in the right quality and quantity to facilitate un-interrupted production

and enhanced performance in operations. Major emphasis is given on strategic procurement for maintaining appropriate inventory level of all major and essential raw materials like Iron ore, Coking coal, CRC scrap, Ferro silicon, Zinc etc., based on demand supply situation prevailing in the market, besides ensuring un-interrupted supplies. This would improve level of available working capital that could be profitably employed in other areas. Further, concerted efforts are being made towards sourcing of critical material from different geographies and suppliers with desired specifications, without compromising quality to ensure un-interrupted production. Vendor development, import substitution have been the major focus areas of the Company to fortify material security.

Raw material availability and cost:

Cost of raw materials constitute largest share of overall variable cost of the product. Availability and cost of required grade of raw material (iron ore, coal) are impacted by domestic demand-supply gap, Global movement and parity of landed cost considering price, freight, tariff, vendor actions and Policies on mining and tariff.

To mitigate this risk, the Company regularly tracks commodity markets to consider specific actions to stabilize broad base of vendors, contemplates long term/spot/hedging contract options and regularly focuses on relationship management with vendors for regular supply and timely inputs on market insight and future trends. Besides aforesaid commercial actions, the operational team regularly focuses on implementation of various operational efficiency initiatives, process improvements to reduce consumption of essential raw materials to insulate the Company from any adverse impact on account of rising raw material prices.

Raw material outlook:

Coking Coal

Coking coal is one of the major components of pig iron and DI pipes. Coal sourcing is an important factor which impacts the cost efficiencies. Current coking coal imports, from Australia, amount to 70% of the total requirement. The domestic supply of coking coal is of poor quality due to a high ash content, which varies from 19% to 21% and leads to high costs at the hot metal stage.

Iron Ore

India has vast reserves of Iron ore that are chiefly mined in the states of Odisha, Chattisgarh, Jharkhand, Karnataka and Goa. The industry is recovering from mining bans imposed in 2012 for illegal mining that made India a net importer of ore from 2012 to 2015 and led to the enforcement of mining limits across the sector in accordance with environment norms. To secure the domestic supply of iron ore for the industry, many expansion plans are in the pipeline, led by state mining giant NMDC which is one of the largest producers that plans to expand from its current capacity of 48 MTPA to 67 MTPA by 2030. In addition to increasing captive ownership of iron ore mines, the government is also looking to provide a pricing formula to ensure more uniform and stable pricing for domestic iron ore.

During FY2018, India's iron ore production grew by 9.37% which stood at 210 Mn tonnes as compared to 192 Mn tonnes in FY2017. India has around 8% of world's deposit of iron ore and has become the 3rd largest steel producer in FY17 with the production of finished steel at 83.01 Mn tonnes.

Iron Ore Production (Million Tonnes)



Quality Management System (QMS):

SPL strongly believes that achieving qualitative excellence in all its spheres is a journey and not a destination. The Company is committed to enhancing customer satisfaction and standardizing business processes through the implementation of a Quality Management System. The Company's consistent focus on quality management has enabled it to fulfil evolving customer expectation and it endeavours for continual and sustainable improvement through the implementation of effective quality practices, innovation and standardization. Further, the Company regularly undertakes Quality Circle projects with engagement of its employees resulting in high employee morale and increased productivity across all its operating units. Having aligned its operations with the stringent ISO standards, the Company is also focusing on raising its qualitative benchmark by focusing on implementation of TQM system across the organization.

Safety, Health & Environment (SHE):

At SPL Safety Practices are primarily driven through a well-defined Policy which is a statement of commitment by the management the Company. The Company is committed to giving highest priority to Safety of its plants and personnel in a serene environment. Uniform well-designed Safety Management System is in place to support Company's commitment towards safety. Employees and contract workers are encouraged to adopt safe working habits and behavior to ensure an effective implementation of the Safety Policy and are empowered to notify and stop any unsafe work / act, as may so arise.

The Company believes that continuous training is key to the safety of people and premises. Our Company imparts regular and structured Safety training including Behavior Based Safety training to its employees to upgrade their

skills, knowledge and competence, in order to perform their SHE functions effectively and in developing effective safety culture. Regular training is also imparted to contract workers, and others to create awareness of the probable hazards in their work area so as to avoid and safeguard against unsafe actions. Safety meeting is conducted every week meticulously where safety observations, near miss and dangerous incidents took place during the previous week will be discussed and accordingly action plan to implement corrective actions to avoid recurrence will be frozen. Further, safety audits are regularly conducted to ensure effective implementation of the SHE Management Guidelines and Emergency Preparedness. These audits are performed by both external safety auditors and experienced in-house auditors.

To imbibe SHE culture among employees, various programs are undertaken across the organization. Safety awareness campaign is organized every year on the occasion of National Safety Day and various safety related competitions are conducted to promote safety awareness across all levels of employees in the organization.

SPL has adopted sound environment management practices for operating its plants. The Company has drawn elaborate environment management plans to minimize the impact from air emissions, noise, water pollution and solid waste generation arising out of its plants. The environmental team of the Company monitors environmental parameters to assess the environmental quality on regular basis through an in-house team and as well as by independent third-party agencies. Updated and sophisticated instruments are used for monitoring environmental quality. The monitoring is done regularly and reports are sent to the respective State Pollution Control Boards. The water and waste water samples are also analyzed at the in-house laboratory as well as external laboratories on a regular basis. Audit is also conducted to review the adherence to the processes and to ensure proper functioning of the environment management.

The Company has implemented the Integrated Management Systems across all its units and the following initiatives were undertaken during FY 2017-18:

Fugitive emission and water management:

Construction of closed shed covering an area of 1700 Sq. meter with concrete floor and compound to facilitate storage of coal at MBF to control fugitive emission and arrest washing out of coal during rains. Construction of 25 m3 capacity rain water harvesting pit near MBF to collect roof top rain water to recharge the rain water in to the ground. Concreting of coal yard to the extent of 12,200 Sq. meter along with construction of drain to control the coal ground loss, fugitive emission and collection of washed out coal without contamination.

Hazardous material management: Focus is given for the safe and environmentally sound storage, handling, transportation and disposition of hazardous materials used in laboratory maintenance and operations. Proactive actions have been taken for the management of hazardous wastes to ensure that such wastes are identified, accumulated, stored, transported, treated, and disposed or recycled in an environmentally sound manner.

Solid waste management: It has been thrust area of the Company to ensure that solid wastes are identified, classified, collected, transported, stored, recycled, treated and/or disposed safely and in a manner protective to human health and the environment.

Further it has been the constant endeavour of the Company to educate its employees to take action in order to comply with environment-related laws, raise their global environmental awareness and encourage their interest in environmental conservation.

Corporate Social Responsibility (CSR):

SPL believes that it is an integral part of the society at large and it has a responsibility to contribute to the general welfare of the society to which it belongs. The Company has been actively engaged in efforts to improve the quality of life in the neighbouring localities.

The focus of the Company has mainly been in the fields of promotion of education, sanitation and hygiene facilities, promotion of healthcare facilities, skill development, women empowerment, rural infrastructural development and animal welfare in order to facilitate an inclusive social development.

Skill development and livelihood support programs in tailoring has been organized for the women of poor and underprivileged sections of the surrounding villages at the Company's Skill Development Center in Rachagunneri.

In support of Beti Bachao and Beti Padhao programme, Computer literacy courses covering basic computer applications to create computer awareness to the village girls have been conducted at Rachagunneri and Ramapuram villages.

Medical camps have been conducted at periodic intervals at the nearby villages including Merlapaka, Chindepalli, Mannasamudram to ensure that basic health care is accessible for the villagers, providing succour to around 500 people.

Provided basic infrastructure facilities like development of roads and providing potable water to the villagers residing in Rachagunneeri village.

Information & Technology (IT):

At SPL, Information Technology is extensively used in all its operations for ensuring effective controls across the Company. IT also helps the Company in providing accurate MIS and prompt information/services to its customers and stakeholders. The Company is always focused on continuous developments on IT front and implementation of enhanced level of information systems security and controls with monitoring systems to address technology risks.

The transition to GST scenario was a major change process and the Company has successfully carried out changes to the business process & IT systems as per the GST framework. GST system in SAP has been implemented along with Digital Compliance System for filing GST Returns online from SAP, which will ensure accuracy of data entry in the GST portal.

As part of its regular developmental plans, new system was successfully implemented for migration of mail server from in-house to cloud to ensure un-interrupted mail communication across all locations, as it works on internet and service provider has servers across the globe.

Human Resource Management:

SPL considers human resources as its most important asset. It is the invaluable contribution of the Company's large and energetic team that has primarily resulted in SPL's position of strength in the industry. The Company has implemented various initiatives to create a worker-friendly organization that motivates its employees and improves performance. The Company recognizes the importance of continual professional development and realizes that a knowledgeable and experienced workforce is the key driver to deliver on the expectations of all internal and external customers. In keeping pace with this objective, the Company is committed to grow the knowledge capital of every individual through effective learning and development initiatives. For this the Company has established an extensive training calendar comprising technical, behavioural, cultural, safety, 5S and awareness training which facilitates the team in proficiently managing day-to-day operational challenges.

Pre and post training tests are conducted as a tool for evaluating effectiveness and this has helped in result oriented learning culture within the organization.

The Company undertakes regular appraisals wherein high performers are recognized. Recognition programs like Employee Excellence Awards and performance-linked incentive scheme are instrumental in encouraging employee participation and involvement.

The Company has zero tolerance towards sexual harassment at workplace. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has constituted Internal Complaints Committee having designated independent member(s) to redress complaints regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy.

Risks/Concern & Its Mitigation:

The Company has in place a robust risk management framework which identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the stakeholders, to achieve business objectives and enable sustainable growth. The risk management framework is aimed at effectively mitigating the Company's various business and operational risks through strategic actions. Risk management is embedded in all its critical business activities, functions and processes. The risks are reviewed periodically for the change in the frequency and impact of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

The risks identified by the Company and suggested mitigation measures are described as under.

Competitors Risk:

The intense competition in the domestic DI Pipes market with the entry of new incumbents and capacity expansion of the existing players may negatively impact the business of the Company.

The Company invites healthy competition in the industry as it drives improvements such as cost reductions and quality improvements. The Company is adequately equipped to mitigate the risk of competition through various initiatives viz., enforcing effective market intelligence, widening and deepening customer reach, responsive credit and pricing policy, timely execution of orders in line with customer delivery schedule, periodic evaluation of marketing strategy to bring in appropriate changes to secure major and prestigious orders and maintain market share. Further, Company's persistent focus on upgradation of quality of its product is an added advantage in enhancing its brand reputation and by virtue of having established its foot prints across the southern and western markets, the Company is comfortable in effectively facing the risk of competition.

Environmental Risk:

By virtue of its diverse and complex operations involving emissions and effluents, the Company is open to environmental risk. To mitigate this risk, Company continuously focuses on establishing appropriate environment management systems to minimize its ecological footprint by effectively managing and controlling various emissions and effluents with the help of sophisticated pollution control apparatus, efficient disposal and reuse of solid waste generation, effective water and waste water management on a sustainable basis.

In order to bring efficiency in waste management, water and energy conservation, stack and fugitive emission, along with reduction in noise pollution, the Company has embraced the Environmental Management System (EMS) ISO 14001. Every aspect of pollution generated due to plant activities is monitored in detail and adequate steps are taken to minimise it.

Credit Risk:

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. In addition to this, the Company, as part of its credit

risk management practices, covers its sales under Bank Guarantees and Letters of Credit to secure its receivables.

Foreign currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to External Commercial Borrowings and buyers/suppliers credit on account of procurement through imports. The Company manages its foreign exchange risk through its selective hedging of its exposure to fluctuations by using foreign currency forwards contracts and other hedging derivatives on the basis of risk perception of the management.

Human resources Risk:

In light of Company's steady growth and ambitious plans coupled with criticality of operations, attracting, grooming and retaining the talent pool would be a challenge to the Company, as it is exposed to attrition of skilled manpower. To minimize this risk, the Company regularly focuses on designing robust performance management programs to encourage and reward talent that harmonizes achievement of organizational goals with personal aspirations and milestones. Company's comprehensive talent management framework identifies and develops critical talent crucial for the growth strategy of the Company. The Company has matured human resource management systems and policies in place for recruitment, learning development, performance management and employee deployment, which adequately reduce risk of talent attrition. As a part of the Company's strategic planning process, risk management processes and the risks faced by the Company and the corresponding risk mitigation plans deployed are being revisited at periodic intervals and the Company is on track in respect of its risk mitigation activities.

Internal Controls:

The Company believes that a robust, comprehensive internal control system is a prerequisite for an organization to function ethically and in commensuration with its abilities and objectives. The Company is responsible for establishing and maintaining adequate and effective internal controls and preparation and presentation of financial statements. In pursuit of achieving these objectives, the Company has established a strong internal control system, which is comprised of policies, guidelines and procedures adopted by the Company to ensure the orderly and efficient business conduct, including adherence to policies, asset safeguarding, fraud cum error prevention and detection, accounting records accuracy and completeness, and the timely preparation and presentation of reliable financial information and management reports. This internal control system is aimed at providing assurance of Company's operational effectiveness and efficiency, compliance with laws and regulations, safeguarding of assets and reliability of financial and management reporting.

The Company is adequately staffed with seasoned and qualified professionals who play an important role in designing, implementing, maintaining and monitoring the internal control environment. An independent firm of Chartered Accountants perform periodic internal audits to provide a reasonable assurance of internal control effectiveness and advice on industry-wide best practices. The Audit Committee, consisting of Independent Directors, reviews important issues raised by the internal and statutory auditors on a regular basis and status of corrective measures to ensure that risks are mitigated appropriately on a timely basis.

Opportunities and risk:

The Government of India has come up with new projects and investments in the rural sector. The focus of the government is on providing safe and adequate drinking water, which will be fulfilled only when there will be proper transportation of water to the end-user. This, along with expansion of housing sector are instrumental for driving the demand for Ductile Iron Pipes in the country.

Major impetus is being given by the Government on Schemes like National Rural Drinking Water Program, AMRUT, Smart City Mission and 'Swachh Bharat Abhiyan' and others, providing sanitation facilities in all the rural areas, inter-linking of rivers. With these initiatives, the demand for Ductile Iron Pipes may exceed in future due to the fact that Government of India has earmarked huge budget over and above the already committed large investments in water and sanitation infrastructure development schemes.

Increased cost of inputs coupled with ever rising competition in the domestic market with capacity addition by the existing players may pose threat in the form of thinner sales realization and margin contraction. Further, delay in implementation of centrally sponsored schemes/projects, due to political developments and economic slowdown may result in underutilization of capacities.

Outlook:

Given the Government's focus on infrastructural projects in the country, huge investments in water infrastructure development, improving sanitation coverage across the country and increasing number of housing

units, our Company's order book position continues to be comfortable and the Company is optimistic of maintaining its growth. The company continues to emphasis on improving operational efficiencies, cost reduction and appropriate changes in the marketing strategy, our company is hopeful of protecting its bottom-line in the medium to long term, despite high volatility in the prices of inputs.

Cautionary Statement:

The information and opinion expressed in this report and as well as Directors' Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the infrastructure spend in the country, significant changes in political and economic environment in India, volatility in the prices of major raw materials and its availability, tax laws, exchange rate fluctuations, interest and other costs.

Annexure III to Directors' Report

REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD REPORT BY QUALIFYING COMPANIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken :

Srikalahasthi Pipes Limited ("SPL") as a responsible corporate citizen recognizes and embraces its commitment to the communities in which it operates and it believes that private sector plays a vital role in creating a level playing field, driving innovation and building an environment that enhances education and entrepreneurship to foster economic growth. Our social investment strategy is based on our vision to help the society run better and improving people's lives. In continuation to its peripheral development initiatives, the Company shall allocate annually 2% of its average net profits, if any, of the three preceding years for Corporate Social responsibility (CSR) activities to be undertaken as approved by its Board. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

SPL's CSR thrust shall be in the field of Livelihood enhancement, Animal welfare, Health Care & Sanitation, Drinking Water, Education, Environmental Sustainability and Rural development projects. It will also undertake programs to promote rural sports and culture, conservation of natural resources, skill development, Entrepreneurship building, and other community need based infrastructure projects / activities as stated in schedule VII of the Companies Act 2013. SPL shall undertake CSR activities directly or indirectly through contributions to the corpus fund of the Charitable Trusts engaged in such activities. The detailed CSR Policy of the Company is available in the website of the Company www.srikalahasthipipes.com

2. **The composition of the CSR Committee :** The three member CSR Committee comprises of 1) Mr. G.S. Rath, Non-Independent Executive Director - Chairman, 2) Mr. G. Maruthi Rao, Non-executive Independent Director & 3) Mr. R.K. Khanna, Non-executive Independent Director.
3. **Average Net Profit after Tax of the company for last 3 financial years :** INR 17,876.45 Lakhs
4. **Prescribed CSR expenditure (2% of this amount as in 3 above) :** INR 357.53 Lakhs

(Contd.)

5. Details of CSR activities/projects undertaken during the year:

- a. Total amount to be spent for the FY : INR. 357.53 Lakhs
b. Amount un-spent, if any : Nil
c. Manner in which the amount spent during the financial year is detailed below :-

Fig. in INR

1	2	3	4	5	6	7	8
S.No	CSR Project or activity identified	Sector in which the project is covered	Projects of programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programme wise	Amount spent on the projects or programs sub-heads : (1) Direct expenditure on project (2) overheads :	Cumulative exp upto the reporting date	Amount spent direct or through implementing agency
1	Organizing Medical camps in nearby villages and providing infrastructure to Govt. Hospital. Contribution to Medical Research Institutions engaged in medical relief.	Medical and Health care	Local Area - Chittoor Dist- Andhra Pradesh	1465094	1465094	1465094	Direct
2	School/College Building Development, Infrastructure facilities, Educational assistance, etc.	Promoting Education	Local Area - Chittoor Dist- Andhra Pradesh Chennai - Tamil Nadu	20954933	20954933	20954933	Direct
3	Local Village development - Skill development - Women empowerment.	Rural Development Project - Skill development - Promoting gender equality	Local Area - Chittoor Dist- Andhra Pradesh	3801693	3801693	3801693	Direct
4	Development of Temples for protection of heritage and art and organizing local cultural festivals etc.,	Protection of heritage, art and culture	Local Area - Chittoor Dist- Andhra Pradesh	1402000	1402000	1402000	Direct
5	Contribution for sports meet.	Promotion of rural and nationally recongnized sports	Local Area - Chittoor Dist- Andhra Pradesh	20000	20000	20000	Direct
6	Contribution for war widows/dependents	Benefit of armed forces/war widows/dependents	Ransika - Khor - Haryana Barava - Gwalior - Madhya Pradesh	1000000	1000000	1000000	Direct
7	Contribution for livelihood enhancement initiatives	Promotion and development of handicrafts	Local Area - Chittoor Dist- Andhra Pradesh	305000	305000	305000	Direct
8	Animal shelters and rehabilitation center.	Animal Welfare/Rural Development Project	Local Area - Chittoor Dist- Andhra Pradesh	7441820	7441820	7441820	Direct
				36390540	36390540	36390540	

6. Reasons for not spending the prescribed amount of CSR : NA

7. CSR Committee hereby certify that the implementation and monitoring of CSR Policy is in complinace with CSR objectives and Policy of the Company.

Mayank Kejriwal
Managing Director

G.S.RATHI
Chairman CSR Committee

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Related Party disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : Nil
2. Details of material contracts or arrangement or transactions at arm's length basis :

Sl.No.	Name of the related party	Nature of Relationship	Nature of Transaction	Duration of the contract/ transaction	Value (INR Lacs)	Date of approval by the Board, if any	Amount paid as advance, if any
1	Electrosteel Castings Limited	Related Party	Sale of goods	01.04.17 to 31.03.18	1798.42	12.05.2017	-
2	Electrosteel Castings Limited	Related party	Purchase of goods	01.04.17 to 31.03.18	401.15	12.05.2017	-
3	Electrosteel Castings Limited	Related Party	Reimbursement of expenses	01.04.17 to 31.03.18	13.67	12.05.2017	-
4	Electrosteel Castings Limited	Related party	Rent Paid	01.04.17 to 31.03.18	0.36	12.05.2017	-
5	Global Exports Limited	Related Party	Rent Paid	01.04.17 to 31.03.18	23.22	12.05.2017	-
6	Amit Trexim Pvt Ltd.	Related party	Rent Paid	01.04.17 to 31.03.18	6.42	12.05.2017	-

Disclosure under Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of Director	Ratio
Mr. Mayank Kejriwal	384.68
Mr. G.Maruthi Rao	5.89
Mr. G.S.Rathi	94.17
Mr. S.Y.Rajagopalan	6.08
Mr. R.K.Khanna	5.74
Ms. S.Hemamalini	4.82
Mr. V. Poyyamozhi	37.97
Ms. Priya Manjari Todi	3.13

2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name of Director / KMP	Designation	% of increase/decrease
Mr. Mayank Kejriwal	Managing Director	7.41
Mr. G. Maruthi Rao	Non Executive and Independent Director	71.13
Mr. G.S. Rathi	Whole-time Director	29.25
Mr. S.Y. Rajagopalan	Non Executive and Non Independent Director	39.44
Mr. R.K. Khanna	Non Executive and Independent Director	28.80
Mrs. S. Hemamalini	Non Executive and Independent Director	103.06
Mr. V. Poyyamozhi (a)	Whole-time Director	---
Mrs. Priya Manjari Todi (b)	Non-executive and Non-Independent Director	---
Mr. N. Sivalai Senthilnathan (c)	Chief Financial Officer	146.41
Mr. K. Raghuram (d)	Company Secretary	-47.74
Mr. G. Kodanda Pani (e)	Company Secretary	---

Notes :

- Appointed as Whole-time Director w.e.f 10th August, 2018. Hence percentage of increase is not given.
 - Appointed as Additional Director w.e.f. 31st January, 2018. Hence percentage of increase is not given.
 - Percentage of increase is not comparable, as he was employed for the part of the year during FY 2016-17.
 - Mr. K. Raghuram ceased to be the Company Secretary w.e.f. close of working hours of 31st August, 2017. Percentage of increase is not comparable, as he was employed for part of the year.
 - Mr. G. Kodanda Pani was appointed as Company Secretary w.e.f. 27th September, 2017. Hence percentage of increase is not given.
- The percentage increase in the median remuneration of employees in the financial year 2017-18 was 9.60%.
 - Number of permanent employees on the rolls of company are 1310 as on 31st March, 2018.
 - Relation between average increase in remuneration and Company's performance:

The Company's profit before tax for the financial year 2017-18 was INR 200.93 Crs as against INR 191.22 Crs for FY 2016-17, increased by about 5.1%. The increase in the median remuneration in the FY 2017-18 is 9.60%. The increase in median remuneration is based on performance based increments and prevailing market trend. The remuneration of managerial personnel is linked to profit as per the provisions of the Companies Act, 2013.

6. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The average remuneration of Key Managerial Personnel in the FY 2017-18 increased by 10.83%, which included the profit linked commission to Managing Director and Whole-time Director. The profit before tax in the FY 2017-18 increased by about 5.10% and the remuneration of the Key Managerial Personnel as a percentage of profit before tax is 5.30%.

7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

Average % increase in salaries (median remuneration) of employees, other than managerial personnel in the Financial Year i.e. 2017-18 was around 9.60% and the percentage increase in the managerial remuneration for the said Financial Year was 10.83%. The increase in the median remuneration of other than managerial personnel was due to performance based annual increments of the employees. The remuneration and profit related commission of managerial personnel is linked to profit as per the provisions of the Companies Act, 2013.

8. Variation in market capitalization and price to earnings ratio is as under:

Particulars	FY 2016 – 17	FY 2017 – 18
Market Capitalization #	INR 1545.01 Crs	INR 1501.80 Crs
EPS	35.25	35.53
Price Earnings Ratio	11.02	9.05

Market capitalization shown above is based on the closing share price of the Company traded on BSE as on the last trading day of respective financial years.

9. No public offer has been made during last 5 years by the Company; hence percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer is not applicable to the company.
10. The Commission to the directors of the company has been paid as approved u/s 197 and 198 of the Companies Act, 2013 which is dependent on the profitability of the Company.
11. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable
12. The remuneration paid for directors, key managerial personnel and other employees is as per the Nomination and Remuneration Policy of the Company.

Information under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules 2014 and forming part of the Directors' Report:

A. CONSERVATION OF ENERGY:

The Company has been continuously focusing on energy conservation efforts through up-gradation of process technology and energy saving initiatives including installation of energy efficient equipment. The energy saving initiative taken during the FY 2017-18 and proposed to be taken are given below.

a. Steps taken for energy conservation :

- HSD was substituted with LDO in Annealing Furnace at DIP.
- Hydraulic oil saved in DIP by adopting practices of time based replacement, installation of Oil Level sensors, dedicated cooling tower, hoses, additional pipe clamps, electrical logic, and SS pipes.
- Installation of Variable Frequency Drives (VFDs) at SPM No.9 & No.1 for mould drive, hopper drive, AF-2 fast cooling blower, FL-6 zinc de-dusting, CML-5, and core shooter-2 in DIP, resulting in energy saving.
- Installed 1375 kvar power capacitors in DIP to sustain power factor at 0.999, resulting in power saving.
- Replaced individual AC units in DIP with packaged AC units for power saving.
- Installed 54 KW LED bulbs in place of conventional lighting system of 146 KW and saved 92 KW.
- Introduced auto zinc gun movement and improved zinc recovery in finishing line No. 2 of DIP.
- Installed additional core shooter in DI Pipe Plant to improve productivity.
- New internal concrete roads for 160 meters laid, resulting in environmental free and energy saving.
- Oxygen Plant installed in MBF, resulting in energy saving.
- Replacement of 3.3 kv motor with 11 KV motor for HT blowers in MBF for energy saving.
- Replacement of 4.5 kw cooling fan of HT blowers with 2.2 KW in MBF for energy saving.
- Introduced online moisture analysing and controlling system for water conservation and resulting in better quality and quantity of coke and power generation in COP.

- Coal yard flooring in two phases carried out, for reducing carpet losses in COP.
- Reduction of RO water in CPP by providing alternative arrangement to the boiler damper cooling system.

b. Additional investments & proposals, being implemented for reduction of consumption of energy:

- Installation of additional coke oven battery for 100 TPD with boiler to increase power generation by 2.8 MW from the waste gases.
- Revamping of one COP battery to optimise the efficiency.
- Additional coal yard flooring in COP to arrest ground loss.
- Installation of auto zinc gun movement to improve zinc recovery in Finishing line No. 2 at DIP.
- Installation of Variable Frequency Drives (VFDs) for various applications like Spinning Machine No. 3 & 5, mould drive, hopper drive and cranes.
- Installation of power capacitors and LED lights to improve energy efficiency.
- Substitution of old re-winding motors with High efficiency motors to improve energy efficiency.
- Installation of 60 numbers Digital energy meters for energy conservation.

c. Benefits derived from the above initiatives (a) and (b):-

- Cost reduction
- Energy conservation
- Water conservation
- Minimization of Environmental hazards
- Effective utilization of waste gases

B. TECHNOLOGY ABSORPTION:-

The company has absorbed Chinese Technology for Finishing Line, Cement Lining machines and Core shooter installed during the year.

C. FOREIGN EXCHANGE EARNING & OUTGO:

Foreign Exchange Earning and outgo (INR in Crores):	2017-18	2016-17
i) Foreign Exchange Earning	0.42	-
ii) Foreign Exchange Used	532.32	457.71

Annexure – VII to Directors' Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Srikalahasthi Pipes Limited
Rachgunneri Village, Srikalahasthi Mandal,
Chittoor Dist. - 517641 AP.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Srikalahasthi Pipes Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

As per the information and explanation given to us there are no specific Acts or regulations applicable to the Company for the type of business carried out during the financial Year ended 31st March 2018.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.,

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Hyderabad
Date: 27.04.2018

Signature:

S. Chidambaram
Practicing Company Secretary:
FCS No. 3935
C P No: 2286

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN:- L74999AP1991PLC013391
- ii. Registration Date : 1st November, 1991
- iii. Name of the Company : Srikalahasthi Pipes Limited
- iv. Category / Sub-Category of the Company : Company limited by shares/Indian Non-Government Company.
- v. Address of the Registered office and contact Details :
 Rachagunneri – 517 641
 Srikalahasthi Mandal
 Chittoor District
 Andhra Pradesh
 Website : www.srikalahasthipipes.com
 Phone : 08578 – 286650 - 655
 Fax : 08578 – 286688
- vi. Whether listed company – Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent :
 M/s.Karvy Computershare Private Limited (KCPL),
 Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli,
 Financial District, Nanakramguda, Serilingampally,
 Hyderabad – 500 032.
 Contact Person : Mr.P.Nageswara Rao

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl.No.	Name & Description of Main products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Ductile Iron Pipes	24311	80%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No.	Name & Address of the Company	CIN/GIN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	---	---	---	---	---

IV. SHAREHOLDING PATTERN (Equity share capital break up as percentage of total equity)

i. Category wise shareholding

CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
A. PROMOTER AND PROMOTER GROUP									
1) INDIAN									
Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	20193178	0	20193178	50.78	20193178	0	20193178	43.24	-7.54
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(1) :	20193178	0	20193178	50.78	20193178	0	20193178	43.24	-7.54
2) FOREIGN									
Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
Total A=A(1)+A(2)	20193178	0	20193178	50.78	20193178	0	20193178	43.24	-7.54
B. PUBLIC SHAREHOLDING									
1) INSTITUTIONS									
Mutual Funds	475522	3625	479147	1.21	6486909	0	6486909	13.89	12.68
Financial Institutions / Banks	70834	10225	81059	0.20	51885	9975	61860	0.13	-0.07
Central Government / State Government(s)	243750	450	244200	0.61	243750	0	243750	0.52	-0.09
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	1375491	9700	1385191	3.49	2399572	0	2399572	5.14	1.65
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1) :	2165597	24000	2189597	5.51	9182116	9975	9192091	19.68	14.17

CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
2) NON-INSTITUTIONS									
Bodies Corporate	4119190	218196	4337386	10.90	3150976	205775	3356751	7.19	-3.71
Individuals									
(i) Individuals holding nominal share capital upto INR 2 lakh	7387975	300470	7688445	19.33	8531504	167020	8698524	18.63	-0.70
(ii) Individuals holding nominal share capital in excess of INR 2 lakh	4803424	0	4803424	12.08	4124667	0	4124667	8.83	-3.25
Others									
CLEARING MEMBERS / NBFCs registered with RBI	53840	0	53840	0.14	107943	0	107943	0.23	0.09
NON RESIDENT INDIANS	376991	98714	475705	1.20	603015	0	603015	1.29	-0.09
TRUSTS	3823	0	3823	0.00	5800	0	5800	0.00	0.01
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Alternative Investment Fund	18197	0	18197	0.04	243600	0	243600	0.52	0.48
Sub-Total B(2) :	16763440	617380	17380820	43.71	16854091	459047	17313138	37.07	-6.64
Total B=B(1)+B(2) :	18929037	641380	19570417	49.22	26036207	469022	26505229	56.76	7.54
Total (A+B) :	39122215	641380	39763595	100.00	46229385	469022	46698407	100.00	0.00
C. SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C) :	39122215	641380	39763595	100.00	46229385	469022	46698407	100.00	0.00

ii. Shareholding of promoters & Promoter Group

Sr. No.	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding
		No. of shares	% of total shares	% of shares pledged/encumbered	No. of shares	% of total shares	% of shares pledged/encumbered	
1	Electrosteel Castings Limited	19301218	48.54	-	19301218	41.33	-	-7.21
2	Murari Investment & Trading Co. Ltd	425015	1.07	-	425015	0.91	-	-0.16
3	Uttam Commercial Company Ltd	224069	0.56	-	224069	0.48	-	-0.08
4	G.K.Investments Ltd	164254	0.41	-	164254	0.35	-	-0.06
5	G.K.& Sons Private Ltd.	78622	0.20	-	78622	0.17	-	-0.03

Note : Change in % of shareholding is due to increase in the equity share capital of the Company pursuant issue of shares to the Qualified Institutional Bidders in December, 2017 through Qualified Institutions Placement.

iii. Change in promoters' Shareholding :

There is no change in the promoters' shareholding during the year.

iv. Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs) :

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2017 AND 31/03/2018								
Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	DSP BLACKROCK EQUITY & BOND FUND (@)	0	0.00	31/03/2017			0	0.00
				05/01/2018	3328710	Allotment under QIP	3328710	7.13
				31/03/2018			3328710	7.13
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL (@)	0	0.00	31/03/2017			0	0.00
				05/01/2018	1941748	Allotment under QIP	1941748	4.16
				31/03/2018			1941748	4.16
3	AVIS-TIE UP PRIVATE LIMITED	1443800	3.63	31/03/2017			1443800	3.63
				05/05/2017	-43800	Transfer	1400000	3.52
				26/05/2017	-41095	Transfer	1358905	3.42
				02/06/2017	-41812	Transfer	1317093	3.31
				09/06/2017	-44844	Transfer	1272249	3.20
				16/06/2017	-30960	Transfer	1241289	3.12
				23/06/2017	-13917	Transfer	1227372	3.09
				30/06/2017	-27372	Transfer	1200000	3.02
				01/09/2017	-32859	Transfer	1167141	2.94
				08/09/2017	-31574	Transfer	1135567	2.86
				15/09/2017	-21684	Transfer	1113883	2.80
				22/09/2017	-13883	Transfer	1100000	2.77
				24/11/2017	-282171	Transfer	817829	2.06
				01/12/2017	-373221	Transfer	444608	1.12
				08/12/2017	-8	Transfer	444600	1.12
				15/12/2017	-161940	Transfer	282660	0.71
				22/12/2017	-660	Transfer	282000	0.71
				16/03/2018	25000	Transfer	307000	0.66
				31/03/2018			307000	0.66
4	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES (@)	0	0.00	31/03/2017			0	0.00
				05/01/2018	1139949	Allotment under QIP	1139949	2.44
				31/03/2018			1139949	2.44

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
5	ANIL KUMAR GOEL	948200	2.38	31/03/2017			948200	2.38
				19/05/2017	2000	Transfer	950200	2.39
				26/05/2017	4800	Transfer	955000	2.40
				09/06/2017	-45000	Transfer	910000	2.29
				15/09/2017	45000	Transfer	955000	2.40
				22/09/2017	77	Transfer	955077	2.40
				29/09/2017	5995	Transfer	961072	2.42
				06/10/2017	28	Transfer	961100	2.42
				20/10/2017	900	Transfer	962000	2.42
				31/03/2018			962000	2.06
6	DOLLY KHANNA	636313	1.60	31/03/2017			636313	1.60
				07/04/2017	-3340	Transfer	632973	1.59
				14/04/2017	-1000	Transfer	631973	1.59
				21/04/2017	-4000	Transfer	627973	1.58
				28/04/2017	-1000	Transfer	626973	1.58
				19/05/2017	-8435	Transfer	618538	1.56
				02/06/2017	-1550	Transfer	616988	1.55
				09/06/2017	5500	Transfer	622488	1.57
				16/06/2017	3400	Transfer	625888	1.57
				23/06/2017	8025	Transfer	633913	1.59
				30/06/2017	3010	Transfer	636923	1.60
				07/07/2017	1420	Transfer	638343	1.61
				14/07/2017	11525	Transfer	649868	1.63
				21/07/2017	26809	Transfer	676677	1.70
				04/08/2017	-3295	Transfer	673382	1.69
				11/08/2017	-4350	Transfer	669032	1.68
				01/09/2017	-1000	Transfer	668032	1.68
				15/09/2017	-17505	Transfer	650527	1.64
				22/09/2017	-18206	Transfer	632321	1.59
				29/09/2017	-1500	Transfer	630821	1.59
				06/10/2017	-2000	Transfer	628821	1.58
				13/10/2017	-4075	Transfer	624746	1.57
				20/10/2017	-1000	Transfer	623746	1.57
				27/10/2017	-1395	Transfer	622351	1.57
				03/11/2017	2000	Transfer	624351	1.57
				10/11/2017	10215	Transfer	634566	1.60
				24/11/2017	10000	Transfer	644566	1.62
				01/12/2017	19980	Transfer	664546	1.67
				22/12/2017	5000	Transfer	669546	1.68
				29/12/2017	2000	Transfer	671546	1.69
				05/01/2018	4000	Transfer	675546	1.45
				12/01/2018	11000	Transfer	686546	1.47
				19/01/2018	-3000	Transfer	683546	1.46
				23/03/2018	10000	Transfer	693546	1.49
				31/03/2018			693546	1.49

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
7	ROHAK MERCHANTS PRIVATE LIMITED (*)	0	0.00	31/03/2017			0	0.00
8	HSBC INFRASTRUCTURE EQUITY FUND	475422	1.20	24/11/2017	200000	Transfer	200000	0.50
				01/12/2017	300000	Transfer	500000	1.26
				15/12/2017	-300000	Transfer	200000	0.50
				16/03/2018	-25000	Transfer	175000	0.37
				31/03/2018			175000	0.37
				31/03/2017			475422	1.20
				07/04/2017	72000	Transfer	547422	1.38
				21/04/2017	32000	Transfer	579422	1.46
				05/05/2017	15000	Transfer	594422	1.49
				19/05/2017	20000	Transfer	614422	1.55
				02/06/2017	91344	Transfer	705766	1.77
				23/06/2017	20000	Transfer	725766	1.83
				18/08/2017	18685	Transfer	744451	1.87
				06/10/2017	15000	Transfer	759451	1.91
				20/10/2017	10000	Transfer	769451	1.94
				03/11/2017	42000	Transfer	811451	2.04
				10/11/2017	85000	Transfer	896451	2.25
				17/11/2017	25000	Transfer	921451	2.32
				24/11/2017	30000	Transfer	951451	2.39
				01/12/2017	145000	Transfer	1096451	2.76
				08/12/2017	25000	Transfer	1121451	2.82
				22/12/2017	25000	Transfer	1146451	2.88
				05/01/2018	15000	Transfer	1161451	2.49
				12/01/2018	30000	Transfer	1191451	2.55
				19/01/2018	25000	Transfer	1216451	2.60
				31/03/2018			1216451	2.60
9	NIMMAGADDA UPENDRANATH	447946	1.13	31/03/2017			447946	1.13
10	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED (\$)	275373	0.69	31/03/2018			447946	0.96
				31/03/2017			275373	0.69
				14/04/2017	-1500	Transfer	273873	0.69
				21/04/2017	-267570	Transfer	6303	0.02
				28/04/2017	2733	Transfer	9036	0.02
				05/05/2017	1000	Transfer	10036	0.03
				12/05/2017	1267	Transfer	11303	0.03
				19/05/2017	-1000	Transfer	10303	0.03
				26/05/2017	-2	Transfer	10301	0.03
				04/08/2017	-300	Transfer	10001	0.03
				11/08/2017	150	Transfer	10151	0.03
				18/08/2017	-5150	Transfer	5001	0.01
				15/09/2017	500	Transfer	5501	0.01
				20/10/2017	-500	Transfer	5001	0.01
				31/10/2017	10832	Transfer	15833	0.04
				03/11/2017	-10230	Transfer	5603	0.01
				10/11/2017	12200	Transfer	17803	0.04
				17/11/2017	-11600	Transfer	6203	0.02

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
11	GMO EMERGING MARKETS FUND, A SERIES OF GMO TRUST (@)	0	0.00	24/11/2017	16169	Transfer	22372	0.06
				01/12/2017	18531	Transfer	40903	0.10
				08/12/2017	-27348	Transfer	13555	0.03
				15/12/2017	-700	Transfer	12855	0.03
				22/12/2017	-4577	Transfer	8278	0.02
				29/12/2017	-384	Transfer	7894	0.02
				05/01/2018	-2150	Transfer	5744	0.01
				12/01/2018	-4639	Transfer	1105	0.00
				19/01/2018	500	Transfer	1605	0.00
				26/01/2018	899	Transfer	2504	0.01
				02/02/2018	3639	Transfer	6143	0.01
				09/02/2018	-1000	Transfer	5143	0.01
				16/02/2018	100	Transfer	5243	0.01
				23/02/2018	-500	Transfer	4743	0.01
				02/03/2018	200	Transfer	4943	0.01
				09/03/2018	-300	Transfer	4643	0.01
				16/03/2018	500	Transfer	5143	0.01
				30/03/2018	50	Transfer	5193	0.01
				31/03/2018			5193	0.01
				31/03/2017			0	0.00
12	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION (\$)	243750	0.61	05/01/2018	253494	Allotment under QIP	253494	0.54
				31/03/2018			253494	0.54
				31/03/2017			243750	0.61
13	THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SY (\$)	183407	0.46	31/03/2018			243750	0.52
				31/03/2017			183407	0.46
14	SEEMA GOEL (\$)	180000	0.45	07/04/2017	-16891	Transfer	166516	0.42
				28/04/2017	-22577	Transfer	143939	0.36
				12/05/2017	-16162	Transfer	127777	0.32
				26/05/2017	-13435	Transfer	114342	0.29
				09/06/2017	-8723	Transfer	105619	0.27
				23/06/2017	-6951	Transfer	98668	0.25
				01/09/2017	-11774	Transfer	86894	0.22
				22/09/2017	-14348	Transfer	72546	0.18
				06/10/2017	-19294	Transfer	53252	0.13
				20/10/2017	-15902	Transfer	37350	0.09
				31/10/2017	-18977	Transfer	18373	0.05
				10/11/2017	-18373	Transfer	0	0.00
				31/03/2018			0	0.00
				31/03/2017			180000	0.45
				31/03/2018			180000	0.39

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
15	VINITHRA SEKHAR (\$)	174895	0.44	31/03/2017			174895	0.44
				05/05/2017	-4000	Transfer	170895	0.43
				07/07/2017	-10895	Transfer	160000	0.40
				14/07/2017	-10000	Transfer	150000	0.38
				28/07/2017	-33168	Transfer	116832	0.29
				11/08/2017	-2665	Transfer	114167	0.29
				18/08/2017	-9710	Transfer	104457	0.26
				27/10/2017	-24368	Transfer	80089	0.20
				03/11/2017	-5000	Transfer	75089	0.19
				10/11/2017	-5000	Transfer	70089	0.18
				17/11/2017	-12500	Transfer	57589	0.14
				09/02/2018	-19015	Transfer	38574	0.08
				16/02/2018	-2400	Transfer	36174	0.08
				30/03/2018	-10000	Transfer	26174	0.06
				31/03/2018			26174	0.06

(#) The Company is listed and 98.99% of shareholding is in dematerialized form. The net positions (Increase/decrease) provided above is based on the weekend positions as received from the Depositories.

(@) Not in the list of top 10 shareholders as on 01.04.2017. The details are provided above as the shareholder was one of the top 10 shareholders as on 31.03.2018.

(\$) Ceased to be in the list of top 10 shareholders as on 31.03.2018. The details are provided above as the shareholder was one of the top 10 shareholders as on 01.04.2017.

(*) Not in the list of top 10 shareholders either as on 01.04.2017 or as on 31.03.2018. The details are provided above as the shareholder was one of the top 10 shareholders during the year 2017-18.

v. Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of the Director/KMP	Opening Bal. as at 01.4.17	Change in Shareholding during the year			Cumulative	Closing Bal. as at 31.03.18
		No. Shares & (%)	Date of dealing	Reasons for change	No. Shares & (%)	No. Shares & (%)	No. Shares & (%)
1	Mr. Mayank Kejriwal	-	-	-	-	-	-
2	Mr. G. Maruthi Rao	-	-	-	-	-	-
3	Mr. Gouri Shankar Rath	16000 (0.040)	-	-	-	-	16000 (0.040)
4	Mr. S. Y. Rajagopalan	-	-	-	-	-	-
5	Mr. R. K. Khanna	-	-	-	-	-	-
6	Ms. S. Hemamalini	-	-	-	-	-	-
7	Mr. V. Poyyamozi	-	-	-	-	-	-
8	Ms. Priya Manjari Todi	-	-	-	-	-	-
9	Mr. N. Sivalai Senthilnathan	-	-	-	-	-	-
10	Mr. K. Raghuram (i)	-	-	-	-	-	-
11	Mr. G. Kodandapani (i)	18	11.12.2017	Market purchase	210	228	228

i. Mr. K. Raghuram ceased to be Company Secretary of the Company with effect from 1st September, 2017 and in his place Mr. G. Kodandapani was appointed as Company Secretary with effect from 27th September, 2017.

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

INR Lakhs

At the beginning of the FY	Secured loans excl. deposits	Un-secured loans	Deposits	Total
Principal amount	48713.31	---	---	48713.31
Interest due but not paid	---	---	---	---
Interest accrued but not due	259.02	---	---	259.02
Total	48972.33	---	---	48972.33
Changes during the FY :				
Addition	0.00	---	---	0.00
Deletion	12590.21	---	---	12590.21
Net Change	12590.21	---	---	12590.21
At the end of the FY				
Principal amount	36058.57	---	---	36058.57
Interest due but not paid	---	---	---	---
Interest accrued but not due	323.55	---	---	323.55
Total	36382.12	---	---	36382.12

VI. Remuneration of Directors and Key Managerial Personnel :**A. Remuneration to Managing Director:**

Sr. No.	Particulars of remuneration	Name of MD/WTG/Manager	Amount (INR)
		Mayank Kejriwal, MD	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.		---
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961.		---
	Profits in lieu of salary U/S 17 (3) of the Income Tax Act, 1961		---
2	Stock option		---
3	Sweat Equity		---
4	Commission		
	As % of profit		8,70,00,000
	Others (Specify)		---
5	Other – Specify		---
	Total		8,70,00,000
	Ceiling as per the Act		8,73,15,000

B. Remuneration to Whole-Time Directors:

Sr. No.	Particulars of remuneration	Name of WTD	Amount (INR)
		Gouri Shankar Rathi, Whole-time Director	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.		1,55,07,486
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961.		1,69,764
	Profits in lieu of salary U/S 17 (3) of the Income Tax Act, 1961		---
2	Stock option		
3	Sweat Equity		
4	Commission		
	As % of profit *		30,00,000
	Others (Specify)		
5	Other – Specify (Gratuity & PF)		7,53,929
	Total		1,94,31,179
	Ceiling as per the Act		5,13,76,244

- Subject to approval of shareholders in the ensuing Annual General Meeting.

Sr. No.	Particulars of remuneration	Name of WTD	Amount (INR)
		V. Poyyamozhi, Whole-time Director	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.		72,11,492
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961.		2,57,043
	Profits in lieu of salary U/S 17 (3) of the Income Tax Act, 1961		---
2	Stock option		---
3	Sweat Equity		---
4	Commission - As % of profit - Others (Specify)		---
5	Other – Specify (PF & Gratuity)		3,66,767
	Total		78,35,302
	Ceiling as per the Act		5,13,76,244

C. Remuneration to other Directors :

Amount in INR

Sr. No.	Particulars of remuneration	Total Amount		
1	Independent Directors	G. Maruthi Rao	R. K. Khanna	S. Hemamalini
	• Fee for Attending Board & Committee Meetings	6,15,000	5,85,000	3,95,000
	• Commission	6,00,000	6,00,000	6,00,000
	• Other - Specify	---	---	---
	Total (1)	12,15,000	11,85,000	9,95,000
2	Other Non-Executive Directors	S.Y.Rajagopalan	Priya Manjari Todi	---
	• Fee for Attending Board & Committee Meetings	6,55,000	45,000	---
	• Commission	6,00,000	6,00,000	---
	• Other - Specify	---	---	---
	Total (2)	12,55,000	6,45,000	---
	Total (C) = (1+2)	24,70,000	18,30,000	9,95,000
	Total Managerial Remuneration (A+B+C)		---	---
	Overall Ceiling as per the Act.		---	---

D. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Amount in INR

Sr. No.	Particulars of remuneration	Key Managerial Personnel			Total
		Company Secretary		Chief Financial Officer	
		K. Raghuram*	G. Kodanda Pani*	N. Sivalai Senthilnathan	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8,51,080	12,13,382	56,66,212	77,30,674
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961	---	---	4,12,004	4,12,004
	Profits in lieu of salary U/S 17 (3) of the Income Tax Act, 1961	---	---	---	---
2	Stock option	---	---	---	---
3	Sweat Equity	---	---	---	---
4	Commission - As % of profit - Others (Specify)	---	---	---	---
5	Others – Specify (PF & Gratuity)	33,000	60,597	3,30,047	4,23,644
	Total	8,84,080	12,73,979	64,08,263	85,66,322
	Ceiling as per the Act	---	---	---	---

*Employed part of the year

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

During the financial year, there is no instance of any penalty/punishment/compounding of offence under the Companies Act, 2013 against any Director, Key Managerial Personnel and other Officers in default.

INDEPENDENT AUDITORS' REPORT ON IND AS FINANCIAL STATEMENTS

To
The Members of Srikalahasthi Pipes Limited

We have audited the accompanying Ind AS financial statements of Srikalahasthi Pipes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), and Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the state of affairs (financial position), Profit or loss (financial performance including other comprehensive income), cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give

the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its Profit and other comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;
- e. On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Impact of pending litigations (Other than those already recognised in the accounts) on the financial position of the Company have been disclosed in the Ind AS financial statement as required in terms of the Ind AS and provisions of the Companies Act, 2013;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note no. 35 to the Ind AS financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

R. P. Singh
Partner
Membership No: 52438

Place: Chennai
Date: April 28, 2018

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

- i.
- a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
 - h. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, certain fixed assets have been physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verifications.
 - i. According to the information and explanations given to us, the records examined by us and based on the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of the Company as on the balance sheet date.
- ii.
- a. As informed, the inventories of the Company except for materials in transit have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.
 - b. As the Company's inventory of raw materials comprises mostly of bulk materials such as coal, coke, iron ore, etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. Considering the above, in our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii. The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2018 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore the provisions of clause 3(v) of the Order is not applicable to the company.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii.
- a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrear as at March 31, 2018 for a period of more than six months from the date they become payable.
- c. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at March 31, 2018, are as follows:

Name of the Statute	Nature of Dues	Amount (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act' 1944	Excise Duty	55.01	2006-2007 2007-2008 2015-2016	Commissioner (Appeals)
Central Sales Tax	Sales Tax	151.60	2000-2001 2010-2011	High Court
		480.27	2003-2004 2004-2005 2005-2006	Sales Tax Appellate Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	498.09	2013-2014 2014-2015	Appellate Deputy Commissioner
		608.95	1999-2000 2000-2001 2003-2004	Sales Tax Appellate Tribunal
		10.59	2004-2005	High Court
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	18.16	2012-2013 2014-2015	Appellate Deputy Commissioner
		271.71	2005-2006 2007-2008 2011-2012 2013-2014	Sales Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	37.72	2003-2004 2004-2005	High Court

- viii. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. However, term loans raised in earlier years have been utilised for the purpose for which it was raised.
- x. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has raised on private placement of Equity Shares by raising INR 25,000.00 lakhs through Qualified Institutions Placement ("QIP") by allotting 69,34,812 Equity Shares at a price of INR 360.50 per share. The QIP placement is in compliance with section 42 of the Companies Act, 2013. Further the Company has disclosed the end use of money received from QIP in Note No. 46 of the Ind AS financial statements and the same has been verified by us. Other than this, the company not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: Chennai
Date: April 28, 2018

R. P. Singh
Partner
Membership No: 52438

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph (g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Srikalahasthi Pipes Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Chennai
Date: April 28, 2018

R. P. Singh
Partner
Membership No: 52438

Balance Sheet as at 31st March, 2018

(INR in lakhs)

	Particulars	Note No.	31st March 2018	31st March 2017
	ASSETS			
1	Non-Current Assets			
	a. Property, Plant and Equipment	5	83,574.45	90,836.09
	b. Capital Work-In-Progress		2,976.39	567.59
	c. Other Intangible Assets	5.1	74.99	94.50
	d. Financial Assets			
	(i) Loans	6	660.76	557.74
	e. Other Non Current Assets	7	203.44	135.24
	Total Non-Current Assets		87,490.03	92,191.16
2	Current Assets			
	a. Inventories	8	20,912.29	21,342.91
	b. Financial Assets			
	(i) Investments	9	21,346.28	15,263.53
	(ii) Trade Receivables	10	25,326.82	14,334.45
	(iii) Cash and Cash Equivalents	11	20,212.09	5,429.08
	(iv) Bank Balances Other than (iii) above	12	266.88	119.23
	(v) Loans	13	2,350.97	2,321.55
	(vi) Other Financial Assets	14	398.48	75.00
	c. Current Tax Assets	15	392.76	458.65
	d. Other Current Assets	16	3,498.48	4,159.80
	Total Current Assets		94,705.05	63,504.20
	Total Assets		182,195.08	155,695.36
	EQUITY AND LIABILITIES			
1	Equity			
	a. Equity Share Capital	17	4,669.84	3,976.36
	b. Other Equity	17.1	113,208.91	77,377.25
	Total Equity		117,878.75	81,353.61
2	Liabilities			
	Non-Current Liabilities			
	a. Financial Liabilities			
	(i) Borrowings	18	3,841.43	6,386.81
	b. Provisions	19	156.61	146.92
	c. Deferred Tax Liabilities (Net)	20	13,323.83	12,534.11
	d. Other Non Current Liabilities		474.36	-
	Total Non-Current Liabilities		17,796.23	19,067.84
	Current Liabilities			
	a. Financial Liabilities			
	(i) Borrowings	21	29,741.51	38,722.54
	(ii) Trade Payables	22	9,573.37	8,532.74
	(iii) Other Financial Liabilities	23	3,519.65	5,036.72
	b. Other Current Liabilities	24	2,686.42	1,994.74
	c. Provisions	19	999.15	987.17
	Total Current Liabilities		46,520.10	55,273.91
	Total Liabilities		64,316.33	74,341.75
	Total Equity and Liabilities		182,195.08	155,695.36

Significant Accounting Policies and other accompanying Notes (1-47) form an integral part of Financial Statements

As per our report of even date

For Lodha & Co,

Chartered Accountants

Firm Registration No. 301051E

R. P. Singh

Partner

Membership No.52438

Place: Chennai

Date: 28th April, 2018

For and on behalf of the Board

Mayank Kejriwal

Managing Director

(DIN: 00065980)

R.K. Khanna

Director

(DIN: 05180042)

N. Sivalai Senthilnathan

Chief Financial Officer

G.Kodanda Pani

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2018

(INR in lakhs)

	Particulars	Note No.	31st March 2018	31st March 2017
I	Revenue from operations	25	150,598.02	120,340.14
II	Other Income	26	3,555.90	3,046.91
III	Total Income		154,153.92	123,387.05
IV	EXPENSES			
	Cost of materials consumed	27	74,098.68	47,604.04
	Purchase of Stock-in-Trade	28	12,514.40	7,384.08
	Changes in inventories of finished goods, Stock-in-Trade and work-in progress	29	664.38	(14.06)
	Excise duty on sale of goods		743.77	2,553.48
	Employee Benefit Expenses	30	7,505.95	7,067.40
	Finance costs	31	4,288.18	3,929.16
	Depreciation and Amortisation Expense	32	3,544.82	3,688.50
	Other Expenses	33	30,700.33	32,052.11
	Total expenses		134,060.51	104,264.71
V	Profit/(loss) before tax (III-IV)		20,093.41	19,122.34
VI	Tax expense:	34		
	(1) Current tax		(4,263.40)	(4,581.45)
	(2) Deferred tax		(1,089.86)	(517.67)
	Total tax expense		(5,353.26)	(5,099.12)
VII	Profit/(loss) for the year (V - VI)		14,740.15	14,023.22
VIII	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit plans		34.54	(10.52)
	Income tax relating to items that will not be reclassified to Profit and Loss	34.1	(11.95)	3.64
	Other Comprehensive Income for the year (net of tax)		22.59	(6.88)
	Total Comprehensive Income for the year		14,762.74	14,016.34
IX	Earnings Per Equity Share (EPS) of INR 10 each			
	Basic and Diluted EPS (in INR)	45	35.53	35.25

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As per our report of even date

For Lodha & Co,

Chartered Accountants

Firm Registration No. 301051E

R. P. Singh

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Director

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N. Sivalai Senthilnathan

Chief Financial Officer

G.Kodanda Pani

Company Secretary

Statement of changes in Equity for the Year ended 31st March, 2018

A. Equity Share Capital

(INR in Lakhs)

Balance at the beginning of the reporting period as on 1st April, 2017	3,976.36
Equity Shares issued pursuant to QIP (Refer Note no. 46)	693.48
Balance at the end of 31st March, 2018	4,669.84

B. Statement of Changes in Other Equity

Other Equity 31st March, 2018

(INR in Lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities Premium Account	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance As of 1st April, 2017		32,500	44,877.25	-	77,377.25
Profit for the year	-	-	14,740.15	-	14,740.15
Other Comprehensive Income for the year	-	-	22.59	-	22.59
Total Comprehensive Income for the year	-	-	14,762.74	-	14,762.74
Equity Shares issued pursuant to QIP (Refer Note no. 46)	24,306.51	-	-	-	24,306.51
QIP Issue Expenses (Refer Note no. 46)	(559.25)	-	-	-	(559.25)
Tax effect on QIP Issue Expenses	193.55	-	-	-	193.55
Other adjustments	-	-	(0.38)	-	(0.38)
Transfer from/to Retained Earnings	-	5,000.00	(5,000.00)	-	-
Dividends (including corporate dividend tax)	-	-	(2,871.51)	-	(2,871.51)
Balance as of 31st March, 2018	23,940.81	37,500.00	51,768.10	-	1,13,208.91

Other Equity 31st March, 2017

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities Premium Account	General Reserve	Retained Earnings	Re-measurement of defined benefit plans	
Balance As of 1st April, 2016	-	27,500.00	38,346.78	(92.95)	65,753.83
Profit for the year	-	-	14,023.22	-	14,023.22
Other Comprehensive Income for the year	-	-	(6.88)	-	(6.88)
Total Comprehensive Income for the year	-	-	14,016.34	-	14,016.34
Regrouped during the year to Retained Earnings			(92.95)	92.95	-
Transfer from/to Retained Earnings	-	5,000.00	(5,000.00)	-	-
Dividends (including corporate dividend tax)	-	-	(2,392.92)	-	(2,392.92)
Balance as of 31st March, 2017	-	32,500.00	44,877.25	(0.00)	77,377.25

Refer Note no. 17.1 for nature and purpose of reserves

Significant Accounting Policies and other accompanying Notes (1-47) form an integral part of Financial Statements

As per our report of even date

For and on behalf of the Board

For Lodha & Co,

Chartered Accountants

Firm Registration No. 301051E

R. P. Singh

Partner

Membership No.52438

Mayank Kejriwal

Managing Director

(DIN: 00065980)

R.K. Khanna

Director

(DIN: 05180042)

Place: Chennai

Date: 28th April, 2018

N. Sivalai Senthilnathan

Chief Financial Officer

G.Kodanda Pani

Company Secretary

Statement of Cash Flow for the year ended 31st March, 2018

(INR in lakhs)

	Particulars	31st March 2018	31st March 2017
A	Cash Flow from operating activities		
	Net Profit Before Tax	20,093.41	19,122.34
	Adjustments for :		
	Finance Cost	4,288.18	3,929.16
	Depreciation / Amortisation	3,544.82	3,688.50
	Gain on sale of property, plant and equipment (net)	(3.66)	(2.99)
	Deferred Income (Capital subsidy)	(25.64)	-
	Interest Income on loans, deposits, overdue debts etc.	(1,084.94)	(1,138.05)
	Interest Income on Financial Assets at amortised cost	-	-
	Impairment Allowances for doubtful debts	96.61	14.87
	Fair Valuation of current instrument through profit and loss	(340.66)	(263.53)
	Provision/ Liabilities no longer required written back	(195.04)	-
	Net gain/ loss on foreign currency transaction and translation	-	(161.66)
	Net gain/(loss) on redemption of current investments	(1,046.66)	(268.90)
	Operating Profit before Working Capital changes	25,326.42	24,919.74
	Adjustments for :		
	(Increase) / decrease in Loans, Other Financial and Non-Financial Assets	(40.29)	304.20
	(Increase) / decrease in Trade Receivables	(11,088.98)	6,405.70
	(Increase) / decrease in Inventories	430.63	(9,454.34)
	Increase / (decrease) in Other non-financial Liabilities and provisions	691.69	376.30
	(Increase) / decrease in Other Financial Assets	(171.22)	287.75
	Increase / (decrease) in Other Financial Liabilities	9.69	(893.94)
	Increase / (decrease) in Trade Payables and other financial Liabilities	585.15	614.19
	Cash Generated from Operations	15,743.09	22,559.60
	Direct Taxes Paid	(4,302.49)	(4,050.00)
	Cash from Operating Activities (A)	11,440.60	18,509.60
B	Cash Flow from Investing Activities		
	Purchase of Property, Plant and Equipment	(4,208.04)	(13,338.43)
	Sale of Property, Plant and Equipment	5,538.85	3.16
	Interest Received	761.46	1,254.71
	(Increase) / decrease in Bank Balances other than Cash and cash equivalents	526.82	382.20
	(Purchase)/ Sale of Current Investments (Net)	(5,742.09)	(270.80)
	(Increase) / decrease in Loans	10.87	(2,010.87)
	Capital subsidy Received	500.00	-
	Dividend on investments	1,046.66	268.90
	Net Cash Flow From Investing Activities (B)	(1,565.47)	(13,711.13)

Statement of Cash Flow for the year ended 31st March, 2018

	Particulars	31st March 2018		31st March 2017	
C	Cash Flow from Financing Activities				
	Long Term Borrowings-Receipts/(Repayments)[Net]	(3,584.48)		(4,515.63)	
	Short Term Borrowings-Receipts/(Repayments)[Net]	(8,981.03)		9,472.17	
	Interest Paid	(4,275.65)		(4,032.85)	
	Proceeds from Issue of Shares via QIP (Net of Expenses)	24,634.29		-	
	Dividends (including corporate dividend tax)	(2,885.25)		(2,405.62)	
	Net Cash Flow From Financing Activities (C)	4,907.88		(1,481.93)	
	Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	14,783.01		3,316.54	
	Cash & Cash Equivalent as at Beginning of Year	5,429.08		2,112.54	
	Cash & Cash Equivalent as at End of the Year (Refer Note 11)	20,212.09		5,429.08	
Notes					
1	Components of Cash & Cash Equivalents				
	Cash On Hand	1.75		1.87	
	Balances with Banks			-	
	In Current Account	210.34		3,927.21	
	In Deposit Account	20,000.00		1,500.00	
		20,212.09		5,429.08	
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.				
3	Change in Company's liabilities arising from financing activities:	As at March 31, 2017	Cash flows*	Non-Cash Flows	As at March 31, 2018
	Non-current borrowings [Refer Note no. 18]	6,386.81	19.48	(2,564.86)	3,841.43
	Current maturities of long term debt [Refer Note no. 23]	3,603.96	(3,603.96)	2,564.86	2,564.86
	Short Term borrowings [Refer Note no. 21]	38,722.54	(8,981.03)	-	29,741.51
	Interest accrued but not due on borrowings [Refer Note no. 23]	259.02	(259.02)	328.29	328.29
	*Includes cash flows on account of both principal and interest.				

Significant Accounting Policies and other accompanying Notes (1-47) form an integral part of Financial Statements

As per our report of even date

For Lodha & Co,

Chartered Accountants

Firm Registration No. 301051E

R. P. Singh

Partner

Membership No.52438

Place: Chennai

Date: 28th April, 2018

For and on behalf of the Board

Mayank Kejriwal

Managing Director

(DIN: 00065980)

R.K. Khanna

Director

(DIN: 05180042)

N. Sivalai Senthilnathan

Chief Financial Officer

G.Kodanda Pani

Company Secretary

Notes to Financial Statements for the year ended 31st March, 2018

1. Corporate Information

Srikalahasthi Pipes Limited ('the Company'), is a public limited company in India having its registered office at Rachaguneri, Srikalahasthi Mandal, Chittoor district in the state of Andhra Pradesh, India engaged in the manufacture and supply of Ductile Iron Pipe as its core business and produces and supplies Pig Iron and Cement in the process. It also produces Low Ash Metallurgical Coke, Sinter and Power for captive consumption in its integrated complex. The company predominantly caters to the needs of Water Infrastructure Development. The company's shares are listed on the National Stock Exchange Limited (NSE) and the BSE Limited.

2. Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2016 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing Accounting standard requires a change in the accounting policy hitherto in use.

Financial Statements for the year ended as at March 31, 2017 were audited by previous auditors – K R Babuji & Co., Chartered Accountants.

2.2 Recent Pronouncements

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018 notifying Ind AS 115, "Revenue from Contract with Customers" and Appendix B to Ind AS 21 "Foreign currency transactions and advance consideration" which are applicable with effect from financial periods beginning on or after April 1, 2018.

Ind AS 115 – Revenue from Contract with Customers

The standard requires that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This amendment is not likely to have any material impact on the financial statements of the company.

Ind AS 21 – Appendix B "Foreign currency transactions and advance consideration"

This Appendix applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income (or part of it). The effect of this amendment on the financial statements of the company is being evaluated.

3. Significant Accounting Policies

A. Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting

period and certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- Level 3 : inputs for the asset or liability which are not based on observable market data.

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

B. Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects or fixed assets during construction period and related pre-operative expenses are capitalized.

Parts of an item of PPE having different useful lives and material value including subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

Notes to Financial Statements for the year ended 31st March, 2018

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In such cases carrying amount of those parts that are replaced is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection

materials etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortisation

Depreciation on PPE commences when the assets are ready for their intended use. It is recognized on straight line basis over the estimated useful lives in accordance with Schedule II of the Companies Act, 2013. Certain Plant and Machinery have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the main assets.

Based on above, the estimated useful lives of assets for the current period are as follows:

Category	Useful life(Years)
Buildings	
- Non-Factory Building	60
• RCC Frame Structure	30
• Other than RCC Frame Structure	5
• Fences, wells, tube wells	3
• Others (including temporary structure, etc)	
- Factory Building	30
Roads	
- Carpeted Roads-RCC	10
- Non-Carpeted Roads	3
Plant and machinery	
- Continuous Process Plant	25
- Sinter Plant, Blast Furnace, and Coke Oven	20
- Power Distribution Plant	35
- Power Generation unit	40
- Others	3-15
Computer equipment	
- Servers and networks	6
- Others	3
Furniture and fixtures, Electrical Installation and Laboratory Equipments	10
Office equipment	5
Vehicles - Motor cycles, scooters and other mopeds	8

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

C. Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, cost of computer software packages (ERP and others) has been allocated / amortized over a period of 3 years on straight line basis.

Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

D. Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

E. Leases

Leases are classified as finance leases whenever the terms of the lease, transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Notes to Financial Statements for the year ended 31st March, 2018

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Any initial direct cost of the lease is added to the amount recognized as an asset. Each Lease payment is apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognized as expenses on a straight-line basis over the term of the lease unless the lease arrangement are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

F. Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

G. Financial Assets and Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realized or settled within operating cycle of the company or otherwise these are classified as noncurrent.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments is determined on initial recognition.

i. Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents.

ii. Financial Assets and Financial Liabilities measured at amortized cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

iii. Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

iv. For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

v. Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognized at fair value and changes therein are recognized in the statement of profit and loss.

vi. Derivatives and Hedge Accounting

The company enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial

Notes to Financial Statements for the year ended 31st March, 2018

derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset, at fair value through profit or loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the statement of profit and loss. Transaction costs attributable to the same are also recognized in statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the statement of profit and loss.

vii. **Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

viii. **De-recognition of financial instruments**

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI (excepting

equity instruments) the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

H. Inventories

- i. Inventories are valued at lower of the cost or net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- ii. Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods and those under progress represents prime cost, and includes appropriate portion of overheads and excise duty.
- iii. Cost in respect of work in progress represents cost incurred up to the stage of completion.
- iv. By-Products are valued at net realizable value.

I. Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account except in respect of non-current liabilities existing as on April 1, 2015 (i.e. transition date) related to Property, Plant and Equipment/ Capital work in progress, in which case these are adjusted to the cost of respective PPE/ Capital work in progress. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

J. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

K. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be

made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities is not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent Assets are not recognised but disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

L. Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc., is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

M. Revenue

Sale of Goods

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods or ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied to third parties after deducting discounts, volume rebates and taxes and duties collected on behalf of third party and is inclusive of excise duty which the company pays as principal.

Sale of Services

Revenue from Sales of Services has been recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Company, and the amount of revenue can be measured reliably.

Interest, Dividend and Claims

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

Export Benefits

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate realisability of such benefits are established.

N. Borrowing Cost

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the statement of profit and loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

O. Research and Development

Research and development cost (other than cost of Property, Plant and Equipment acquired) are charged as an expense in the year in which they are incurred.

P. Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to statement of profit and loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise to acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to statement of profit and loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets are transferred to statement of profit and loss over the periods that bear the cost of meeting the obligations related to such grants.

Q. Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to Financial Statements for the year ended 31st March, 2018

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

R. Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

S. Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements including key assumptions concerning the future and key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are given here under:

a. Depreciation / amortization of and impairment loss on property, plant and equipment / intangible assets.

Property, plant and equipment are depreciated and intangible assets are amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of asset's or cash generating units

(CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives and residual life of the assets regularly in order to determine the amount of depreciation / amortization and also amount of impairment expense to be recorded during any reporting period. Subsequent reassessment or review may result in change of estimates in future periods.

b. Arrangement contain leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

c. Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

d. Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

e. Defined Benefit Obligations (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose and Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

f. Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to taking into account changing facts and circumstances.

Notes to Financial Statements for the year ended 31st March, 2018

5 Property, Plant and Equipment

(INR in Lakhs)

As at 31st March, 2018:

Particulars	Freehold Land	Factory Buildings	Non Factory Buildings	Plant & Machinery	Electrical Installations	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Year ended 31st March, 2018									
Gross carrying amount									
Opening Gross Carrying Amount	39,555.47	6,245.86	1,038.74	49,896.83	635.60	215.55	32.37	306.06	97,926.48
Additions	-	330.00	66.19	1,096.48	-	42.49	11.26	33.94	1,580.36
Other Adjustments	-	-	-	203.50	-	-	-	-	203.50
Deletions	5,520.60	-	-	17.16	-	-	-	-	5,537.76
Closing Gross Carrying Amount as at 31st March, 2018	34,034.87	6,575.86	1,104.93	51,179.65	635.60	258.04	43.63	340.00	94,172.58
Accumulated Depreciation									
Opening accumulated depreciation	-	522.08	202.44	5,866.05	329.87	92.30	11.70	65.95	7,090.39
Depreciation charged during the year	-	277.97	105.02	3,005.32	41.89	37.95	3.89	38.28	3,510.32
Deduction/Adjustment	-	-	-	2.58	-	-	-	-	2.58
Closing Accumulated Depreciation	-	800.05	307.46	8,868.79	371.76	130.25	15.59	104.23	10,598.13
Net Carrying Amounts as at 31st March, 2018	34,034.87	5,775.81	797.47	42,310.86	263.84	127.79	28.04	235.77	83,574.45

Notes to Financial Statements for the year ended 31st March, 2018

5 Property, Plant and Equipment (Contd.)

As at 31st March, 2017:

As at 31st March, 2017:										(INR in Lakhs)
Particulars	Freehold Land	Factory Buildings	Non Factory Buildings	Plant & Machinery	Electrical Installations	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL	
Year ended 31st March, 2017										
Gross carrying amount										
Opening Gross Carrying Amount	33,701.06	5,588.98	1,006.15	42,007.95	547.50	165.94	31.37	226.53	83,275.48	
Additions	5,854.41	656.88	32.59	7,880.77	88.10	49.66	1.00	79.66	14,643.07	
Other Adjustments	-	-	-	8.11	-	-	-	-	8.11	
Deletions	-	-	-	-	-	0.05	-	0.13	0.18	
Closing Gross Carrying Amount as at 31st March, 2017	39,555.47	6,245.86	1,038.74	49,896.83	635.60	215.55	32.37	306.06	97,926.48	
Accumulated Depreciation										
Opening accumulated depreciation	-	256.70	99.77	2,822.65	175.04	49.00	6.56	27.58	3,437.30	
Depreciation charged during the year	-	265.38	102.67	3,043.40	154.83	43.30	5.14	38.37	3,653.09	
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	
Closing Accumulated Depreciation	-	522.08	202.44	5,866.05	329.87	92.30	11.70	65.95	7,090.39	
Net Carrying Amounts as at 31st March, 2017	39,555.47	5,723.78	836.30	44,030.78	305.73	123.25	20.67	240.11	90,836.09	

1. The Gross Block includes certain Property, Plant and Equipment i.e. freehold land which have been valued by an Independent valuer appointed in this respect and considered as "deemed cost" resulting in appreciation of INR 32,176.37 lakhs as on 1st April, 2015 (i.e. transition date) in accordance with the provisions of Ind AS 101 "First-time adoption of Indian Accounting Standards".
2. Other adjustments includes INR 203.87 lakhs (31st March, 2017: INR 8.11 lakhs) representing forex capitalisation.
3. Refer Note no. 18 to financial statements in respect of charge created against borrowings

Notes to Financial Statements for the year ended 31st March, 2018

5.1 Intangible Assets:

(INR in Lakhs)

As at 31st March, 2018

Details	Computer Software
Gross carrying amount	
Opening Gross Carrying Amount	159.38
Additions	14.99
Disposals / De-recognition	-
Closing Gross Carrying Amount as at 31st March 2018	174.37
Accumulated Amortisation	
Opening Accumulated Amortisation	64.88
Amortisation for the year	34.50
Disposals / De-recognition	-
Closing Accumulated Amortisation as at 31st March, 2018	99.38
Net Carrying Amount as at 31st March, 2018	74.99

As at 31st March, 2017

Details	Computer Software
Gross carrying amount	
Opening Gross Carrying Amount	95.46
Additions	63.92
Disposals / De-recognition	-
Closing Gross Carrying Amount as at 31st March, 2017	159.38
Accumulated Amortisation	
Opening Accumulated Amortisation	29.47
Amortisation for the year	35.41
Disposals / De-recognition	-
Closing Accumulated Amortisation as at 31st March, 2017	64.88
Net Carrying Amount as at 31st March, 2017	94.50

Note

- (i) Computer Software includes cost of development thereof.

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

6	Financial Assets	As at 31st March 18	As at 31st March 17
	Loans		
	Unsecured - considered good		
	Security Deposits	660.76	557.74
	Total	660.76	557.74

7	Other Non-Current Assets	As at 31st March 18	As at 31st March 17
	Capital Advances	132.90	61.58
	Prepayment of Lease Rent (Refer Note No.44)	70.54	73.66
	Total	203.44	135.24

8	Inventories	As at 31st March 18	As at 31st March 17
	(Valued at lower of Cost or Net Realisable Value)		
	Raw Materials	13,796.48	14,444.31
	Raw Materials in transit	206.78	-
	Process Stock	802.75	1,078.24
	Finished Goods	855.70	1,244.59
	Stores & Spares	5,250.58	4,575.77
	Total	20,912.29	21,342.91

8.1 Refer Note no. 21.1 to financial statements in respect of charge created against borrowings

9	Investments - Current	Face Value	As at 31st March 18		As at 31st March 17	
			No of Units	INR in lakhs	No of Units	INR in lakhs
	Investment in Mutual Funds					
	(Fair Value through Profit and Loss)					
	Quoted					
	HDFC Medium Term Opportunities Fund	10	-	-	1,41,09,104	2,564.69
	ICICI Regular Income Fund	10	1,83,87,193	3,358.95	1,25,72,634	2,134.53
	Reliance Short Term Fund	10	-	-	65,39,255	2,066.45
	Birla Sun Life Dynamic Bond Fund	10	-	-	65,70,846	1,952.70
	HDFC Liquid Fund	1000	-	-	46,895	1,504.83
	Reliance Regular Savings Fund	10	1,20,66,316	3,056.41	43,15,702	1,013.85
	Reliance Liquid Fund - Treasury Plan	1000	-	-	25,223	1,000.68
	ICICI Prudential Liquid	10	-	-	4,15,704	1,000.67
	HDFC Short Term Plan	10	-	-	15,48,515	510.10

Notes to Financial Statements for the year ended 31st March, 2018

9	Investments - Current (Contd.)	Face Value	As at 31st March 18		As at 31st March 17	
			No of Units	INR in lakhs	No of Units	INR in lakhs
	HDFC Banking And Psu Debt Fund	10	-	-	38,14,319	506.45
	HDFC Short Term Opportunities Fund	10	2,17,91,293	4,210.82	27,93,140	505.57
	ICICI Prudential Savings Fund	10	1,57,23,353	3,060.03	1,99,779	503.01
	Aditya Birla Sun Life Corporate Fund Bond	10	3,07,58,820	4,087.32	-	-
	Franklin India Treasury Management Account	1000	19,367	503.05	-	-
	HDFC Regular Savings Fund	10	15,48,515	545.70	-	-
	L&T Liquid Fund	1000	21,127	503.12	-	-
	Reliance Quarterly Interval Fund Series Ii	10	42,10,810	1,010.72	-	-
	UTI-Fixed Income Interval Fund - V- Quarterly Interval Plan- Retail Option	10	47,25,853	1,010.16	-	-
				21,346.28		15,263.53

9.1 Particulars of Investments as required in terms of Section 186(4) of the Companies Act, 2013 has been disclosed herein above.

9.2 Includes INR 1848.07 lakhs (31st March 2017: Nil) out of QIP proceeds pending utilisation thereof in terms of the issue (Refer Note no. 46).

(INR in lakhs)

10	Trade Receivables	As at 31st March 18	As at 31st March 17
	(Unsecured)		
	- Considered good	25,326.82	14,334.45
	- Considered doubtful	111.48	14.87
	Sub-Total	25,438.30	14,349.32
	Less : Impairment Allowance for doubtful receivables (Refer Note no. 10.3)	(111.48)	(14.87)
	Total	25,326.82	14,334.45

10.1 Refer Note no. 21.1 to financial statements in respect of charge created against borrowings

10.2 Age of Trade Receivables:

Particulars	As at 31st March 18	As at 31st March 17
Within the credit period (actuals)	19,343.34	13,006.96
1-180 days past due	5,966.29	1,262.61
More than 180 days past due	128.67	79.75
	25,438.30	14,349.32

The average credit period on sales of goods is 45 – 60 days. In case of delay, interest, wherever applicable, is charged.

10.3 Movement of Impairment Allowances

Particulars	As at 31st March 18	As at 31st March 17
Balance at the beginning of the year	14.87	843.49
Addition in expected credit loss allowance on trade receivables	96.61	14.87
Write back during the year	-	(843.49)
Balance at end of the year	111.48	14.87

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

11	Cash and Cash Equivalents	As at 31st March 18	As at 31st March 17
	Balances with Banks		
	- in Current Account	210.34	3,927.21
	- In Fixed Deposit with original maturity of less than 3 months	20,000.00	1,500.00
	Cash on Hand	1.75	1.87
	Total	20,212.09	5,429.08

11.1 Includes INR 20,000 lakhs (31st March 2017: Nil) out of QIP proceeds pending utilisation thereof in terms of the issue (Refer Note no. 46).

12	Bank Balances other than Cash and Cash Equivalents	As at 31st March 18	As at 31st March 17
	Balances with Banks		
	In Unpaid Dividend	55.63	41.88
	In Margin Money	211.25	77.35
	Total	266.88	119.23

12.1 Margin Fixed Deposits with banks include Fixed Deposit of INR 110.69 lakhs (31st March 2017: INR 75.41 Lakhs) have been lodged with banks against guarantee issued by them

13	Loans	As at 31st March 18	As at 31st March 17
	Unsecured		
	- Considered good		
	Inter Corporate Loans	2,000.00	2,010.87
	Loans and Advances to employees	13.07	13.52
	Other Deposits (Refer Note no. 13.2)	337.90	297.16
	Total	2,350.97	2,321.55

13.1 Disclosure of Loans and Advances as per Regulation 34(3) of the Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) are as follows:

Particulars of Advances	Amount Outstanding at the year end 31st March 2018	Maximum Amount Outstanding at the year end 31st March, 2018	Amount Outstanding at the year end 31st March 2017	Maximum Amount Outstanding at the year end 31st March 2017
Loans and advances in the nature of loans to Companies in which directors are interested				
Amit Trexim Pvt Ltd	3.00	3.00	3.00	3.00
Global Exports Ltd.	15.00	15.00	15.00	15.00

All the above advances have been given for general corporate purposes.

13.2 Includes INR 169.20 lakhs (March 31, 2017 INR 141.97 lakhs) lying with customers in terms of agreement/ order with/ from customers

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

13.3 Disclosure of Inter Corporate Loans (other than above) as per Sec 186(4) of the Companies Act 2013 are as follows

Particulars of Loan given	Rate of Interest	Amount Outstanding at the year end March 31, 2018	Maximum Amount Outstanding at the year end March 31, 2018	Amount Outstanding at the year end March 31, 2017	Maximum Amount Outstanding at the year end March 31, 2017
Payal Commercial Company Limited	9%	-	-	1,005.55	1,005.55
Sanghai Commercial & Credits (P) Ltd	9%	2,000.00	2,000.00	1,005.32	1,005.32
Total		2,000.00	2,000.00	2,010.87	2,010.87

The company has deployed its surplus funds for fixed rate of interest.

14 Other Financial Assets	As at 31st March 18	As at 31st March 17
Fair value of foreign exchange forwards, currency option contracts and Interest swaps (Refer Note No 35.)	206.57	-
Interest Receivable	191.91	75.00
Total	398.48	75.00

15 Current Tax Assets (Net)	As at 31st March 18	As at 31st March 17
Advance Tax (Net of Provisions)	392.76	458.65
Total	392.76	458.65

16 Other Current Assets	As at 31st March 18	As at 31st March 17
Balance with Government Authorities	1,498.99	1,355.44
Prepaid Expenses	135.14	467.18
Advance for supply of goods and services	1,820.68	2,102.10
Other Receivables	43.67	235.08
Total	3,498.48	4,159.80

Notes to Financial Statements for the year ended 31st March, 2018

17 Equity Share Capital	As at 31st March 18		As at 31st March 17	
	No. of Shares in Lakhs	INR in lakhs	No. of Shares in Lakhs	INR in lakhs
Authorized Shares				
Equity Shares of INR 10/- each	530.00	5,300.00	530.00	5,300.00
Issued, Subscribed and Paid up Shares				
Equity Shares of INR 10/- each	466.98	4,669.84	397.64	3,976.36
Total	466.98	4,669.84	397.64	3,976.36

Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

	No. of Shares in Lakhs	INR in lakhs	No. of Shares in Lakhs	INR in lakhs
Opening number of Shares Outstanding	397.64	3,976.36	397.64	3,976.36
Add : Issued during the period (Refer Note no. 46)	69.34	693.48	-	-
Closing number of Shares Outstanding	466.98	4,669.84	397.64	3,976.36

Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of INR 10/- per share, each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 18		As at 31st March 17	
	No of Shares in Lakhs	% holding	No of Shares in Lakhs	% holding
M/s.Electrosteel Castings Ltd	193.01	41.33	193.01	48.54
M/s. DSP Blackrock Equity & Bond Fund	33.29	7.13	-	-

(INR in lakhs)

17.1 Other Equity	As at 31st March 18	As at 31st March 17
(a) Share Premium	23,940.81	-
(b) General Reserve	37,500.00	32,500.00
(c) Retained Earnings	51,768.10	44,877.25
(d) Other Comprehensive Income	-	-
Re-measurement of defined benefit plans	-	-
Total	1,13,208.90	77,377.25

Notes to Financial Statements for the year ended 31st March, 2018

17.1.1 Refer Statement of Changes in Equity for movement in balance of reserves

17.1.2 Nature of reserves

a) Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013

b) General Reserve

The general reserve represents appropriation of profits at the discretion of the Company. It is transferous from one component of equity to another.

c) Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company. This includes INR 2,48,85.21 lakhs which is not available for distribution as dividend as these are represented by change in carrying amount of an PPE being measured at Fair Value as on the date of transition to Ind AS and Other Comprehensive Income of INR (77.24 lakhs) (31st March 2017: INR (99.83 lakhs)) relating to re-measurement of defined benefit plans which cannot be reclassified to Statement of Profit and Loss.

17.1.3 Subsequent to the balance sheet date, the Board of Directors has recommended a dividend of INR 6/- per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2018. 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 INR 2,801.90 lakhs and the dividend distribution tax thereon amounts to INR 591.36 lakhs.

(INR in lakhs)

18	Borrowings	As at 31st March 18		As at 31st March 17	
		Non Current	Current	Non Current	Current
	Secured - from Banks				
	Rupee Term loans	1,500.00	1,000.00	2,500.00	750.00
	External Commercial Borrowing	2,341.43	1,564.86	3,886.81	2,853.96
		3,841.43	2,564.86	6,386.81	3,603.96
	Less: Amount shown under current Financial liabilities (Refer Note No. 23)	-	2,564.86	-	3,603.96
	Total	3,841.43	-	6,386.81	-

18.1 Terms of Repayment and rate of interest:

- Rupee Term Loan outstanding as on 31st March 2018 INR 2,500.00 Lakhs (31st March 2017 INR 3,250.00 lakhs) is repayable in 10 Quarterly instalment of INR 250.00 Lakhs each and carries an Interest @ 9.80% p.a. payable monthly.
- External Commercial Borrowings outstanding as on 31st March 2018 INR 3,906.29 Lakhs (Equivalent US\$ 59.94 Lakhs) (31st March 2017 INR 6,740.77 lakhs (Equivalent US\$ 83.95 lakhs)) is repayable in 4 half yearly instalments in November and March every year of US\$ 12,00,600 each and last installment of US\$ 11,91,600 and carries an interest at LIBOR plus 4.6262% p.a payable half yearly.

Notes to Financial Statements for the year ended 31st March, 2018

18.2 Nature of security :

The above Loans are secured by way of first pari-passu charge on the Movable & Immovable Property, Plant and Equipment of the company, both present and future.

(INR in lakhs)

19	Provisions	As at 31st March 18		As at 31st March 17	
		Non Current	Current	Non Current	Current
	For Employee Benefits - Unavailed Leave, Gratuity, Bonus, etc.,	156.61	999.15	146.92	987.17
	Total	156.61	999.15	146.92	987.17

20	Deferred tax liabilities (Net):	Opening balance 1st April 2017	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised in Securities Premium/ Other adjustments	Closing balance 31st March 2018
	Deferred tax liabilities / assets in relation to:					
	Deferred tax Liabilities:					
	Property, Plant & Equipment	15,157.75	290.43	-	-	15,448.18
	Fair Valuation of Derivative Instrument through Profit and Loss and Others	91.20	72.60	-	-	163.80
	Total Deferred tax Liabilities	15,248.95	363.03	-	-	15,611.98
	Deferred tax Assets:					
	MAT Credit entitlement	1,945.17	(377.17)	-	157.26	1,725.26
	Share Issue Expenses	-	-	-	154.83	154.83
	Defined benefit obligation / Employee Benefits and others	769.67	(349.66)	(11.95)	-	408.06
	Total Deferred tax Assets	2,714.84	(726.83)	(11.95)	312.09	2,288.15
	Deferred tax liabilities (net)	12,534.11	1,089.86	11.95	(312.09)	13,323.83

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

21	Borrowings	As at 31st March 18	As at 31st March 17
	Secured		
	Working Capital Loans - from Banks (Refer Note 21.1)		
	Rupee Loan	11,520.00	7,305.29
	Foreign Currency Loan	18,221.51	23,917.25
	Unsecured		
	Commercial Paper	-	7,500.00
	Total	29,741.51	38,722.54

21.1 Nature of Security and rate of interest

Loan repayable on demad being Working Capital facilities from banks (both fund based and non-fund based) are secured by first pari passu charge by way of hypothecation of raw materials, semi finished goods , finished goods, consumables, stores and spares, book debts, both present and future.

22	Trade payables	As at 31st March 18	As at 31st March 17
	Payable for Goods and Services		
	Due to Micro and Small Enterprises (Refer Note no. 38)	-	-
	Due to Others	9,573.37	8,532.74
	Total	9,573.37	8,532.74

23	Other Financial Liabilities	As at 31st March 18	As at 31st March 17
	Current maturities of long-term borrowings- Secured (Refer Note No 18)	2,564.86	3,603.96
	Interest accrued but not due on Loans	328.29	259.02
	Unpaid dividends	55.63	41.88
	Others		
	- Creditors for capital goods	419.27	311.37
	- Retention Money	105.30	142.08
	- Deposits from Customers/Vendors	46.30	52.28
	- Forward premium Payable	-	2.91
	- Foreign exchange forwards, currency option contracts and Interest swaps (Refer Note No 35.)	-	623.22
	Total	3,519.65	5,036.72

Notes to Financial Statements for the year ended 31st March, 2018

(INR. in lakhs)

24	Other Current liabilities	As at 31st March 18	As at 31st March 17
	Statutory Dues- PF, ESI, Service Tax, TDS etc.	1,611.65	749.15
	Advance from Customers	810.70	887.04
	Excise Duty on Stock	-	94.48
	Other Payables	264.07	264.07
	Total	2,686.42	1,994.74
25	Revenue from operations	For the year ended 31st March 18	For the year ended 31st March 17
	Sale of Manufactured Products		
	- D I Spun Pipes	1,19,679.36	97,970.81
	- Pig Iron	830.85	742.49
	- Cement	1,993.90	3,041.27
	- Coke	7,622.11	3,639.15
	- Other Products	7,707.05	7,297.28
	Sale of Traded Products		
	- Coal	12,764.75	7,649.14
	Total	1,50,598.02	1,20,340.14
26	Other Income	For the year ended 31st March 18	For the year ended 31st March 17
	Interest Income		
	On loans, deposits, overdue debts etc.	1,084.94	1,138.05
	Rent received	5.36	4.69
	Net gain on redemption of Current Investment	1,046.66	268.90
	Net gain/(loss) on fair valuation of Current Investments through profit or loss (net)	340.66	263.53
	Profit/ (loss) on sale of property, plant and equipment (net)	3.66	2.99
	Net gain/(loss) on Foreign Currency Transaction and translation	-	161.66
	Liabilities no longer required written back	195.04	-
	Miscellaneous Income	879.58	1,207.09
	Total	3,555.90	3,046.91
27	Cost of materials consumed	For the year ended 31st March 18	For the year ended 31st March 17
	Coking Coal / Coke	37,984.98	22,961.74
	Iron Ore / Iron Ore Fines	16,323.04	10,195.52
	CRC / MS Scrap	4,893.46	4,350.21
	Others	14,897.20	10,096.57
	Total	74,098.68	47,604.04
28	Purchases of Stock-in-trade	For the year ended 31st March 18	For the year ended 31st March 17
	Coal	12,514.40	7,384.08
	Total	12,514.40	7,384.08

Notes to Financial Statements for the year ended 31st March, 2018

(INR. in lakhs)

29	Changes in inventories of Finished goods, Stock-in-trade and work in progress	For the year ended 31st March 18	For the year ended 31st March 17
	Opening Stock		
	Process Stock	1,078.24	1,222.91
	Finished Goods	1,244.59	1,085.86
		2,322.83	2,308.77
	Closing Stock		
	Process Stock	802.75	1,078.24
	Finished Goods	855.70	1,244.59
		1,658.45	2,322.83
	Total	664.38	(14.06)

30	Employee Benefit Expense	For the year ended 31st March 18	For the year ended 31st March 17
	Salaries and Wages	6,574.92	6,151.87
	Contribution to Provident and Other Fund	345.68	306.91
	Staff Welfare Expenses	585.35	608.62
	Total	7,505.95	7,067.40

31	Finance Cost	For the year ended 31st March 18	For the year ended 31st March 17
	Interest Expenses	3,456.32	3,629.47
	Other Borrowing Cost	557.70	299.69
	Net (Gain) / Loss on foreign currency transactions and translation	274.16	-
	Total	4,288.18	3,929.16

32	Depreciation and Amortisation	For the year ended 31st March 18	For the year ended 31st March 17
	Depreciaiton on PPE	3,510.32	3,653.09
	Amortisation of Intangible Assets	34.50	35.41
	Total	3,544.82	3,688.50

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

33	Other Expenses	For the year ended 31st March 18	For the year ended 31st March 17
	Power & Fuel	7,356.53	6,213.28
	Consumption of Stores, Spares & Consumables	13,725.15	15,610.72
	Handling & Transport charges	4,516.31	4,195.29
	Directors' Sitting Fee and Commision	53.07	30.27
	Rent	129.33	123.81
	Professional and consultancy	518.68	746.94
	Rates & Taxes	165.78	155.70
	Insurance	224.14	217.21
	Packing and Forwarding charges (net of realisation of INR 863.94 lakhs (31st March 2017 INR 646.49 Lakhs)	526.45	741.92
	Commission to Selling Agents	1,016.66	1,548.31
	Loss on sale of property, plant and equipment		
	Repairs & Maintenance :		
	- Plant & Machinery	1,262.63	1,338.43
	- Buildings	175.21	197.20
	- Others	2.18	3.51
	Impairment Allowances for doubtful debts	96.61	14.87
	Auditors'Remuneration :		
	- Audit fee	7.00	7.00
	- Tax Audit	3.00	3.00
	- Certification fee	2.93	3.27
	- Out of Pocket Expenses	1.40	1.32
	Bad debts		843.49
	Less:- Transferred from Impairment Allowances for doubtful debts	-	843.49
	Donations	11.35	151.87
	Contribution to CSR Activites	363.90	60.33
	Miscellaneous Expenses	542.02	687.86
	Total	30,700.33	32,052.11

34	Tax Expense	For the year ended 31st March 18	For the year ended 31st March 17
	Current tax		
	In respect of the current year	4,387.75	4,424.25
	In respect of prior years (Adjustment of MAT)	(157.26)	136.52
	In respect of prior years (Adjustment of TDS and others)	32.91	20.68
		4,263.40	4,581.45
	Deferred tax		
	In respect of the current year	1,089.86	517.67
	Total tax expense recognised in the current year	5,353.26	5,099.12

Notes to Financial Statements for the year ended 31st March, 2018

Reconciliation of Income Tax expense for the year with accounting profit is as follows:

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

(INR in lakhs)

Particulars	For the year ended 31st March 18	For the year ended 31st March 17
Profit before tax	20,093.41	19,122.34
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	6,953.93	6,617.85
Less : Effect of income Exempt from taxation		
Deduction U/s 80-IA	(1,627.64)	(1,469.76)
Add : Effect of expenses that are not deductible in determining taxable profit		
CSR Expenditure, Donation etc.	129.88	63.13
Other adjustment on account of difference in tax rates under various heads	(102.91)	(112.10)
Total	5,353.26	5,099.12

The tax rate used for reconciliations above is the corporate tax rate of 30% plus applicable surcharge and cess etc. payable by corporate entities in India on taxable profits under the Indian tax laws.

34.1	Income tax recognised in other comprehensive income	For the year ended 31st March 18	For the year ended 31st March 17
	Deferred tax		
	Arising on income and expenses recognised in other comprehensive income:		
	Remeasurement of defined benefit obligation	(11.95)	3.64
	Bifurcation of the income tax recognised in other comprehensive income into:-		
	Items that will not be reclassified to profit or loss	(11.95)	3.64
	Items that may be reclassified to profit or loss	-	-

35. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instruments, their carrying amount and fair values as follows:

(INR in lakhs)

Particulars	31st March 2018	31st March 2017
Financial Assets (Current and Non-Current)		
At Amortised cost:		
• Security Deposits	660.76	557.74
• Trade receivables	25,326.82	14,334.45
• Cash and cash equivalents	20,212.09	5,429.08
• Bank Balances other than cash and cash equivalents	266.88	119.23
• Loans	2,013.07	2,024.39
• Interest Receivable	191.91	75.00
Fair Value through Profit and Loss Account		
• Investment in Mutual Funds	21,346.28	15,263.53
• Derivative- not designated as hedging instruments: -		
- Forward and Options	206.57	-

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

Particulars	31st March 2018	31st March 2017
Financial Liabilities (Current and Non-Current)		
At Amortised cost:		
• Borrowings- floating rate	36,147.80	48,713.31
• Trade payables	9,573.37	8,532.74
• Other financial Liabilities	954.79	809.54
Fair Value through Profit and Loss Account		
• Derivative - not designated as hedging instruments: - Forward Contracts and Options	-	623.22

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair Valuation Techniques:

The following methods and assumptions were used to estimate the fair values:

1. The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statement approximate their fair value.
2. Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.
3. Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.
4. The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgment, and inputs thereto are readily observable from actively quoted market prices. The said valuation has been carried out by an Independent Agency with whom the contract has been entered with. Management has evaluated the credit and a non-performance risk associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

(INR in lakhs)

Particulars	As of 31st March 2018 (*)	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
– Investment in liquid and short term mutual funds	21,346.28 (15,263.53)	21,346.28 (15,263.53)	- -	- -
– Derivative - not designated as hedging instruments - Forward Contracts and Options	206.57 (-)	- -	206.57 (-)	- -
– Security Deposits	660.76 (557.74)	- -	660.76 (557.54)	- -
Financial Liabilities				
– Long Term Borrowings- Floating Rate	6,406.29 (9,990.77)	- -	6,406.29 (9,990.77)	- -
– Derivative - not designated as hedging instruments - Forward Contracts and Options	- (623.22)	- -	- (623.22)	- -

(*) Figures in round brackets indicate figures as on 31st March 2017.

Notes to Financial Statements for the year ended 31st March, 2018

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

The Inputs used in fair valuation measurement are as follows:

Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

Financial instruments are valued based on quoted price for similar assets and liabilities in active market or similar inputs that are directly or indirectly observable in the market place.

Derivatives financial assets and liabilities:

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

- a) The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Sl.No.	Category	Currency	March 31, 2018		March 31, 2017		Underlying Purpose
			No. of Deals	Amount US\$ in lakhs	No. of Deals	Amount US\$ in lakhs	
1	Forward	USD/INR	3	57.59	2	5.71	Buyers Credit and Imports
2	Option	USD/INR	8	222.41	12	359.29	Buyers Credit and Imports
3	Option	USD/INR	1	12.00	3	56.00	External Commercial borrowings
4	Swap	USD	1	59.94	6	104.00	Interest

- b) Unhedged Foreign Currency exposures are as follows: -

(In lakhs)

Nature	Currency	March 31, 2018	March 31, 2017
Buyer's Creditors and Interest	USD	1.38	6.47
Trade Payables (Including acceptances)	USD	18.29	20.56
Trade Payables (Including acceptances)	EURO	1.49	0.25
External Commercial Borrowings and Interest	USD	49.06	49.42

The table below analyses the derivative financial instruments into relevant maturity groups based on the remaining period as of the balance sheet date:

(US\$ in lakhs)

Particulars	March 31, 2018	March 31, 2017
Not later than one month	57.59	Nil
Later than one month and not later than three months	186.51	284.32
Later than three months and not later than one year	71.90	80.68

Sale of Financial Assets

In the normal course of business, the Company transfers its bill receivables to banks. Under the terms of the agreements, the Company surrenders control over the financial assets and the transfer is with recourse. Under arrangement with recourse, the company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with banks. Accordingly, in such cases the amount received are adjusted against the receivables. As at March 31, 2018 and March 31, 2017, the maximum amount of recourse obligation in respect of transferred financial assets are INR 2,815.40 lakhs and INR 8,453.46 lakhs respectively.

FINANCIAL RISK FACTORS

The company's activities exposed it to a variety of financial risks. The key financial risks include Market risk, Credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Notes to Financial Statements for the year ended 31st March, 2018

The Board of Directors review and approves policy for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

MARKET RISK

Market risk is the risk or uncertainty arising from possible market price movements resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and price risk. Financial instruments affected by market risk include trade receivables, borrowings, investments and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowing and trade and other payables.

The Company has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters through use of hedging instruments such as forward contracts, options and swaps. The Company periodically reviews its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

The carrying amount of the various exposure to foreign currency at the end of the reporting period are as follows:

(INR in lakhs)

Particulars	As at March 31, 2018(*)				
	USD	EURO	GBP	AUD	Total
External Commercial borrowings	3,906.29 (6,740.77)	-	-	-	3,906.29 (6,740.77)
Buyers Credit	18,221.51 (23,917.25)	-	-	-	18,221.51 (23,917.25)
Interest accrued but not due	190.40 (191.11)				190.40 (191.11)
Vendors	1,192.05 (1,333.32)	119.10 (17.66)	-	-	1,311.15 (1,350.98)
Total liabilities	23,510.25 (32,184.45)	119.10 (17.66)	-	-	23,629.35 (32,202.11)

(*) Figures in round brackets indicate figures as on 31st March 2017.

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure have been detailed in earlier paras. Unhedged foreign currency exposure is primarily on account of long term foreign currency borrowings for which hedge cover is taken as per the policy followed by the company depending upon the remaining period of maturity of the installments falling due for payment.

Sensitivity analysis resulting in profit or loss arising mainly from USD denominated payables are as follows:

(INR in lakhs)

Particulars	2017-18	2016-17
Payables:		
Weakening of INR by 5%	223.96	247.89

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. The Company has entered into interest rate swap contracts in respect of certain foreign currency borrowings whereby interest at an agreed rate are to be applied on agreed upon principal amount. As of March 31, 2018, substantially all of the Company borrowings were subject to floating interest rates, which are reset at short intervals.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

(INR in lakhs)

Nature of Borrowing	Rate of interest (%)	2017-18	2016-17
Rupee Loan	+0.50	+12.50	+16.25

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements.

Notes to Financial Statements for the year ended 31st March, 2018

Other Price Risk

The company's current investments which are fair valued through profit and loss are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment of default is minimum with respect to these customers. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the company obtains necessary security including letter of credits and / or bank guarantee to mitigate its credit risk.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being backed by the government order. Of the trade receivables balance at the end of the year, one customer having outstanding balance of INR 5,145.67 lakhs (Previous year INR 2,315 lakhs) which accounts for more than 10% of the accounts receivable and 10% of revenue as at and for the year ended March 31, 2018.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

The Company's current investments are valued at with respect to market quotation on the reporting date. These investments are diversified across various sectors and are periodically reviewed and managed in accordance with the company's policy and risk objective

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts which are past due at the end of the reporting period, no credit losses there against are expected to arise.

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The company relies on internal accruals and borrowings to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date.

Interest rate and currency of borrowings

Particulars	Floating Rate Borrowings (INR in lakhs)	Weighted Average Interest Rate
INR	14,020.00 (18,055.29)	9.80%
USD	22,127.80 (30,658.02)	4.62%

Notes to Financial Statements for the year ended 31st March, 2018

Maturity Analysis of Financial Liabilities:

(INR in lakhs)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 Year	Total
Borrowings INR	14,020.00	-	12,020.00	500.00	1,500.00	14,020.00
Borrowings USD	22,127.80	-	19,003.94	782.43	2,341.43	22,127.80
Interest accrued but not due	328.29	-	328.29	-	-	328.29
Other Financial liabilities	626.50	626.50	-	-	-	626.50
Trade Payables	9,573.37	9,573.37	-	-	-	9,573.37
Total	46,675.96	10,199.87	31,352.23	1,282.43	3,841.43	46,675.96

The Company has current financial assets which will be realized in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The Company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratios are as follows:

(INR in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Borrowings	36,147.80	48,713.31
Less Cash and Cash Equivalents	20,212.09	5,429.08
Net Debt	15,935.71	43,284.23
Equity	1,17,878.75	81,353.61
Equity and Net Debt	1,33,814.46	1,24,637.84
Gearing Ratio	0.12	0.35

The company also manages its capital to meet financial covenants, if any attached to the borrowings. Non-compliances may result in levy of higher rate of interest on loans charged by the lenders. At present the company has generally complied with the financial covenants of the borrowings during the reported period.

Notes to Financial Statements for the year ended 31st March, 2018

36. Contingent Liabilities not provided for in respect of:

(INR in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
a. Guarantees given by banks on behalf of the Company.	742.28	756.52
b. Bills discounted with banks	2,815.40	8,453.46
c. Outstanding Letter of Credits	7,615.02	3,674.81
d. Various show cause notices/ demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forums / authorities:		
i. Sales Tax	2,039.37	1,665.36
ii. Excise, Custom Duty & Service Tax	55.01	128.94
iii. Forest Development Fee (Note 3 below)	-	859.97
iv. Income Tax (Note 1 below)	37.72	37.72

Note:

- The Company has tax disputes in appeals as disclosed above and certain litigations in respect of land. Based on the facts of each dispute / litigation and opinion of the management including that of advice of our legal advisors, the company believes that the outcome of the said disputes / litigations will not result in material impact that would affect the financial position or operations of the Company.
- The Company's pending litigations comprises of claim against the company and proceedings pending with Taxation/ Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (d) above is dependent upon the outcome of judgments / decisions.
- The matter related to Forest Department fee has been decided in favour of the company by the Hon'ble High Court of Karnataka. However, the Government of Karnataka has filed a Special Leave Petition before the Hon'ble Supreme Court and the matter is pending thereof.

37. Commitments not provided for:

(INR in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
a. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	1,394.30	495.96
b. Export obligation under EPCG Scheme	1,768.42	1,927.08
c. Forward Contract Outstanding in USD	3,753.14	372.12

38. Disclosure of Trade Payables as required under section 22 of "Micro, Small and Medium Enterprises Development Act, 2006" based on the confirmation and information available with the company regarding the status of the suppliers.

Particulars	As at 31st March 2018	As at 31st March 2017
Principal & Interest amount remaining unpaid but not due as at year end	Nil	Nil
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
Interest accrued and remaining unpaid as at year end	Nil	Nil
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

Notes to Financial Statements for the year ended 31st March, 2018

39. During the year, the company has capitalized the following interest during construction, allocating them to respective Property, Plant and Equipment (PPE), consequently the expenses disclosed under the respective heads are net of amounts capitalized by the company as follows: -

(INR in lakhs)

Particulars	2017-18		2016-17	
	PPE	Capital work in Progress	PPE	Capital work in Progress
Interest and Finance Charges	-	-	52.24	-

40. Post Retirement Employee Benefits

The disclosures required under Ind AS 19 "Employee Benefits", are given below: -

a. Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized for the year are as under:

(INR in lakhs)

Particulars	2017-2018	2016-2017
Employer's Contribution to Provident Fund	129.40	120.70
Employer's Contribution to Pension Fund	124.54	118.54

b. Defined Benefit Plans

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(INR in lakhs)

Particulars	2017-18	2016-17
Change in benefit obligations		
Liability at the beginning of the year	892.67	715.62
Interest Cost	66.23	53.83
Current Service Cost	97.11	72.92
Actuarial (gain) / loss on obligations	(12.27)	83.18
Benefits paid	(28.54)	(32.88)
Liability at the end of the year	1015.20	892.67
Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	938.81	705.49
Expected Return on Plan Assets	71.73	59.09
Contributions by the Company	53.65	134.45
Benefits paid	(28.55)	(32.88)
Actuarial gain / (loss) on Plan Assets	22.27	72.66
Fair value of Plan Assets at the end of the year	1057.91	938.81
Actual return on Plan Asset		
Expected return on Plan assets	71.73	59.09
Actuarial gain / (loss) on Plan Assets	22.27	72.66
Actual Return on Plan Assets	94.00	131.75
Amount Recognized in Balance Sheet		
Liability at the end of the year	1015.20	892.67
Fair value of Plan Assets at the end of the year	1057.91	938.81
Net Liability/ (Asset)	(42.71)	(46.14)

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

Particulars	2017-18	2016-17
Components of Defined Benefit Cost		
Current Service Cost	97.11	72.92
Interest Cost	66.23	53.83
Expected Return on Plan Assets	(71.73)	(59.09)
Net Actuarial (gain) / loss on remeasurement recognised in OCI	(34.54)	10.52
Total Defined Benefit Cost recognised in Profit and Loss and OCI	57.07	78.18
Balance Sheet Reconciliation		
Opening Net Liability	(46.14)	10.13
Expenses as above	57.07	78.18
Employers Contribution	(53.65)	(134.45)
Amount Recognized in Balance Sheet	(42.72)	(46.14)

Compensated absences

The obligation for compensated absences is determined in the same manner as gratuity and is recognised in the Statement of Profit and Loss. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2018 is given below:

(INR in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Privileged Leave	644.29	606.20
Sick Leave	108.85	91.08

Notes:

- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

Recognised in Other Comprehensive Income

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2018	(34.54)
For the year ended March 31, 2017	10.52

Sensitivity Analysis

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2017		
Discount Rate	+1%	836.77
	-1%	960.75
Salary Growth Rate	+1%	951.76
	-1%	843.20
Withdrawal Rate	+1%	883.57
	-1%	908.37
For the year ended 31st March, 2018		
Discount Rate	+1%	964.02

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

Particulars	Change in Assumption	Effect in Gratuity Obligation
	-1%	1,072.21
Salary Growth Rate	+1%	1,066.43
	-1%	968.13
Withdrawal Rate	+1%	1,006.47
	-1%	1,024.82

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows:

Particulars	Gratuity
For the year ended March 31, 2017	
Plan Liabilities - (loss)/gain	(83.18)
Plan Assets - (loss)/gain	72.66
For the year ended March 31, 2018	
Plan Liabilities - (loss)/gain	12.27
Plan Assets - (loss)/gain	22.27

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
01 Apr 2018 to 31 Mar 2019	134.81
01 Apr 2019 to 31 Mar 2020	117.82
01 Apr 2020 to 31 Mar 2021	105.46
01 Apr 2021 to 31 Mar 2022	92.21
01 Apr 2022 to 31 Mar 2023	103.63
01 Apr 2023 onwards	1,123.46

Average No. of employees:

Particulars	As at March 31, 2018	As at March 31, 2017
Average no. of people employed	1310	1316

41. Segment Reporting:

The Company's operates mainly in one business segment viz. Pipes being primary segment and all other activities revolve around the main activity.

42. The company has opted for continuing accounting policy in respect of exchange difference arising on reporting of long term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". Accordingly, during the year ended 31st March 2018 the net exchange difference loss of INR 274.16 lakhs (previous year INR 161.66 lakhs gain) on foreign currency loans have been adjusted in the carrying amount of fixed assets. The unamortised balance in this respect is INR 3909.01 lakhs (March 31, 2017: INR 3945.60 lakhs).

Notes to Financial Statements for the year ended 31st March, 2018

43. Disclosure of Related Parties/Related Party Transactions:

Name of the Related Parties with whom transactions were carried out during the year and description of relationship:

a. Key Management Personnel & their relatives (KMP):

- i. Shri. G. Maruthi Rao, Chairman
- ii. Shri. Mayank Kejriwal, Managing Director
- iii. Shri. G. S. Rathi, Whole Time Director
- iv. Shri. V. Poyyamozhi, Whole Time Director
- v. Shri. S. Y. Rajagopalan, Director
- vi. Shri. R. K. Khanna, Director
- vii. Smt. S. Hemamalini, Director
- viii. Smt. Priya Manjari Todi, Director
- ix. Shri. Karthikeya Misra, Director
- x. Shri. N. Sivalai Senthilnathan, Chief Financial Officer
- xi. Shri. G. Kodanda Pani, Company Secretary

b. Enterprise where KMP and/or Close member of the family have significant influence or control

- i. Electrosteel Castings Limited
- ii. Amit Trexim Private Limited
- iii. Global Exports Limited

(INR In Lakhs)

DESCRIPTION	KMP	Enterprise where KMP and/or Close member of the family have significant influence or control	Total	Outstanding As at 31st March 2018	Outstanding As at 31st March 2017
Sales:					
Electrosteel Castings limited	-	1,798.34	1,798.34	2.88	126.36
	-	(5,352.76)	(5,352.76)		
Purchases:					
Electrosteel Castings limited	-	404.03	404.03	-	-
	-	(8,392.95)	(8,392.95)		
Remuneration:					
Shri. G. Maruti Rao	12.15	-	12.15	-	-
	(4.00)		(4.00)		
Shri. Mayank Kejriwal	870.00	-	870.00	870.00	-
	(810.00)		(810.00)		
Shri. S Y Rajagopalan	12.55	-	12.55	-	-
	(4.00)		(4.00)		
Shri. R K Khanna	11.85	-	11.85	-	-
	(4.00)		(4.00)		
Smt. S. Hemamalini	9.95	-	9.95	-	-
	(4.00)		(4.00)		
Shri. G. S. Rathi	194.31	-	194.31	30.00	-
	(150.33)		(150.33)		
Smt. Priya Manjari Todi	6.45	-	6.45	-	-
	(0.00)		(0.00)		
Shri. V Poyyamozhi	123.44	-	123.44	-	-
	(0.00)		(0.00)		
Shri. N. Sivalai Senthilnathan	64.00	-	64.00	-	-
	(26.00)		(26.00)		

Notes to Financial Statements for the year ended 31st March, 2018

(INR in lakhs)

DESCRIPTION	KMP	Enterprise where KMP and/or Close member of the family have significant influence or control	Total	Outstanding As at 31st March 2018	Outstanding As at 31st March 2017
Shri. G. Kodanda Pani	12.73	-	12.73	-	-
	(0.00)		(0.00)		
Shri. K. Raghuram	8.84	-	8.84	-	-
	(16.92)		(16.92)		
Rent paid:					
Electrosteel Castings Limited	-	-	-	-	-
		(0.36)	(0.36)		
Amit Trexim Private Limited	-	6.42	6.42	3.00	3.00
		(6.00)	(6.00)		
Global Exports Limited	-	23.21	23.21	15.00	15.00
		(15.57)	(15.57)		
Reimbursement of Expenses:					
Electrosteel Castings Limited		13.67	13.67	-	-
		(24.83)	(24.83)		
Interest received					
Electrosteel Castings Limited		-	-	-	-
		(313.40)	(313.40)		

(*) figures in round bracket indicate figures as on 31st March 2017

The remuneration of directors and other member of key management personnel during the year was as follows:

(INR in lakhs)

Period	31 March 2018	31 March 2017
Short-term employee benefits	1,308.81	1,017.76
Post-employment benefits	17.46	11.49
Other long-term benefits	-	-

Note:

- The above related party information is as identified by the management and relied upon by the auditor.
 - In respect of above parties, there is no provision for doubtful debts as on March 31, 2018 and no amount has been written back or written off during the year in respect of debts due from/ to them.
 - Post-Employee benefits and other long term employee benefits have been disclosed made on retirement/resignation of services but does not include provision made on actuarial basis as the same is available for all the employees together.
44. The Company has operating lease arrangement for Land and office accommodation etc. Expenditure incurred on account of rent during the year amounting to INR 129.33 lakhs (Previous year INR 123.81 lakhs) is recognized in the Statement of Profit and Loss.

As required under Ind AS 17 – “Leases” the future minimum lease payments under non-cancelable operating leases in aggregate are as follows.

(INR in lakhs)

Period	31 March 2018	31 March 2017
Not later than one year	71.37	8.53
Later than one year and not later than five years	64.75	42.63
Later than five years	378.32	383.03

Notes to Financial Statements for the year ended 31st March, 2018

45. Earnings Per Share (EPS):

(INR in lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Net profit/(loss) after taxes as per Statement of Profit and Loss (INR in lakhs)	14,762.74	14,016.34
Less: Adjustments for the purpose of diluted earnings per share	Nil	Nil
Net profit for diluted earnings per share (INR in lakhs)	14,762.74	14,016.34
Weighted average number of equity shares for basic EPS and diluted EPS (Face value INR 10/- per equity share)		
i) for Basic EPS	4,15,49,547	3,97,63,595
ii) for Diluted EPS	4,15,49,547	3,97,63,595
Earnings Per Share: Basic and Diluted EPS (in INR)	35.53	35.25
Reconciliation of the Weighted Average number of Equity Shares considered for the purpose of Diluted Earning Per Share		
Weighted Average no. of Equity Shares as on 27th December 2017	2,95,23,108	3,97,63,595
Qualified Institutional Placement on 28th December 2017	1,20,26,439	-
Weighted average number of equity shares in calculating basic and diluted EPS	4,15,49,547	3,97,63,595

46. The Company has allotted on 28th December 2017, 6,934,812 equity shares of INR 10.00 each at a premium of INR 350.50 per share amounting to INR 25,000.00 lakh pursuant to a Qualified Institutions Placement (QIP) under Securities Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The details of utilization of such proceeds are enumerated below:

(INR In lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Amount received against QIP Issue	25,000.00	-
Less:		
Share Issue expenses (adjusted against Securities Premium account in terms of Section 52 of Companies Act, 2013)	559.25	-
Capital expenditure including capital advances	1,563.13	-
Repayment of Long Term Debt	1,029.55	-
Working Capital Requirement	-	-
General Corporate	-	-
Amount kept with mutual funds	-	-
Amount kept with Banks in Fixed Deposits and with Mutual funds	21,848.07	-
Total fund raised from QIP	25,000.00	-

47. These financial statements have been approved by the Board of Directors of the Company on 28th April, 2018, for issue to the shareholders for their adoption.

As per our report of even date

For Lodha & Co,

Chartered Accountants

Firm Registration No. 301051E

R. P. Singh

Partner

Membership No.52438

Place: Chennai

Date: 28th April, 2018

For and on behalf of the Board

Mayank Kejriwal

Managing Director

(DIN: 00065980)

R. K. Khanna

Director

(DIN: 05180042)

N. Sivalai Senthilnathan

Chief Financial Officer

G.Kodanda Pani

Company Secretary

SRIKALAHASTHI PIPES LIMITED

Regd. Office: Rachagunneri – 517641, Srikalahasthi Mandal, Chittoor District, A.P. India
 Website : www.srikalahasthipipes.com, E-mail : companysecretary@srikalahasthipipes.com
 CIN : L74999AP1991PLC013391

NOTICE

NOTICE is hereby given that Twenty Sixth Annual General Meeting of Srikalahasthi Pipes Limited will be held at the Registered Office of the Company at Rachagunneri, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh on Wednesday, the 19th day of September, 2018 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March, 2018 and Profit & Loss Account for the year ended as on that date, together with the Auditors' Report and Directors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri V. Poyyamozhi (DIN: 07887406) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

4. Ratification of Cost Auditors' Remuneration

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) of enactment thereof, for the time being in force and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of INR 1,40,000 plus applicable taxes and out of pocket expenses at actual payable to M/s. Narasimhamurthy & Co., a firm of Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

5. To approve appointment of Ms. Priya Manjari Todi (DIN: 01863690) as a Director of the Company:

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Priya Manjari Todi (DIN: 01863690) who has been appointed by the Board of directors as Additional Director of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

6. To approve revision in the terms of remuneration payable to Shri Gouri Shankar Rath (DIN : 00083992), Whole-time Director:

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

RESOLVED THAT in partial modification of the resolution passed at the 23rd Annual General Meeting of the Company held on 24th August, 2015 for appointment and payment of remuneration for Shri Gouri Shankar Rath, Whole-time Director (DIN:00083992), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and subject to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof and such other permissions, sanction(s) as may be required, the consent of the members of the Company be and is hereby accorded for payment of commission, over and above remuneration payable to him, not exceeding 0.5% of the net profits of the Company as computed in the manner laid down in Sections 197 and 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the relevant financial year, subject to a maximum amount to be decided by the Board every year starting from the FY 2017-18, till expiry of his term.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

7. To approve appointment of Shri Ashutosh Agarwal (DIN: 00115092) as a Director of the Company:

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Ashutosh Agarwal (DIN: 00115092) who has been appointed by the Board of directors as Additional Director of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things as may be necessary to give effect to this resolution."

By Order of the Board
For Srikalahasthi Pipes Limited

Place: Chennai
Date: 30th July, 2018

G. Kodanda Pani
Company Secretary

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself / herself. The proxy, so appointed, need not be a member of the company. In order to be effective, the proxy form(s) duly completed and signed should reach the registered office of the company at least 48 hours before the commencement of the meeting. A person shall not act as a proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. The explanatory statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business as set out in the Notice and intimation required to be furnished as per Regulation 36 of the Listing Regulations are annexed hereto.
3. The register of members and the Share Transfer Books of the Company shall remain closed from 13th September, 2018 to 19th September, 2018 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the FY 2017-18. The cut-off date for determining voting rights for e-voting on resolutions that will be listed for Annual General Meeting will be 12th September, 2018.
4. Dividend in respect of equity shares for the financial year ended 31st March, 2018, as recommended by the Board, if approved by the members will be paid within a period of 30 days from the date of declaration of dividend to the beneficial owners of shares whose names appear in the Register of members of the Company as on the closing of business hours on 12th September, 2018 as per the information furnished to the Company by Depositories for this purpose.
5. Members are requested to furnish their Bank Account details, change of address etc., to the Registrar and Share Transfer Agents in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).
6. Members desirous of getting any information in respect of the Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting as also the Attendance Slip duly filled in for attending the meeting.
7. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.
b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
8. Equity Shares of the Company fall under the category of compulsory de-mat trading by all investors. Considering the advantages of scripless trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience.

Members who have not received their dividend paid by the Company in respect of earlier years are requested to check with the Company's Registrar & Transfer Agent – Karvy Computer Share Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. Members are requested to note that in terms of Section 124 (2) of the Companies Act, 2013, dividend declared by the Company, for earlier years, which remain unclaimed for a period of 7 years from the date when it first became due for payment will be transferred by the Company to a fund called "Investor Education and Protection Fund" (IEPF), set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the financial years 2010-11 and onwards will become transferable at the end of seven years from the respective dates of transfer of such amount to the unclaimed dividend accounts of the Company to IEPF and thereafter, no claim shall be entertained in respect of the dividend transferred to the Fund. The details of unclaimed dividend transferable to the said Fund are given below :

Year	Dividend per share (RS)	Date of declaration	Proposed date of transfer to IEPF account
2010-11	1.50	25.08.2011	24.08.2018
2011-12	Nil	-	-
2012-13	Nil	-	-
2013-14	1.50	27.09.2014	26.09.2021
2014-15	3.00	24.08.2015	23.08.2022
2015-16	5.00	29.08.2016	28.08.2023
2016-17	6.00	27.09.2017	26.09.2024

Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company/Registrar.

9. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company will provide/host the required details of unclaimed amounts referred under Section 124 (2) of the Companies Act, 2013 on its website and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.
10. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
11. Members may also note that the Annual Report and the Notice of the Annual General Meeting will also be available on the Company's website www.srikalahasthipipes.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost.
12. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the Board Resolution/ Power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
13. Members are requested to give us their valuable suggestions for improvement of our investor services.
14. Voting through electronic means : Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Amendment Rules, 2015 of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 12th September, 2018 are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at 9.00 a.m. on 16th September, 2018 and will end at 5.00 p.m. on 18th September, 2018. The Company has appointed Mr. S. Chidambaram, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting may refer to the detailed procedure given hereinafter.

Procedure for remote e-voting :

The Company has engaged the services of M/s. Karvy Computershare Private Limited ("Karvy") as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

A. Members receiving Notice through e-mail from Karvy:

- i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii. Enter the login credentials (i.e., user-id & password). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote:

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 digit Client ID b) For CDSL :- 16 digits Beneficiary ID / Client ID For Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company
Password	Your unique password is provided in the e-mail forwarding the electronic notice.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach Password Change Menu wherein they are required to mandatorily change their password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. After changing password, you need to login again with the new credentials.
- vi. On successful login, the system will prompt to select the "Event" i.e. Srikalahasthi Pipes Limited.
- vii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under "FOR/AGAINST/ABSTAIN" against the resolution or alternatively you may partially enter any number in "FOR", partially in "AGAINST" and partially in "ABSTAIN" but the total number in "FOR/AGAINST/ABSTAIN" taken together should not exceed your total shareholding.
- viii. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.
- ix. Corporate/Institutional Members (corporate /FIs /FLLs/Trust/Mutual Funds/Companies, etc) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: schid285@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

- B. Members receiving physical copy of Notice of AGM and Attendance Slip:
1. Please use the User ID and initial password as provided at the bottom of the Attendance Slip.
 2. Please follow all steps from Sr. No. (i) to (ix) as mentioned in (A) above, to cast your vote.
- C. The e- voting period commences on 16th September, 2018 at 09.00 A.M and ends on 18th September, 2018 at 5.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQs section of Karvy e-voting website.
- D. Once the vote on the resolution is cast by a shareholder, the shareholder shall not be allowed to change it subsequently. Further, the shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.
- E. Mr. S. Chidambaram, Company Secretary in Practice has been appointed as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer's decision on the validity of e-voting shall be final. The e-mail ID of the Scrutinizer is schid285@gmail.com.
- F. The Scrutinizer shall, on the date of the AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, and submit it to the Chairman.
- G. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on 12th September, 2018. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.
- H. Shareholders / proxies may also vote at the venue of the meeting physically by using the ballot papers that will be provided at the venue. Shareholders who have cast their votes through e-voting will not be allowed to cast their votes physically at the venue of the AGM.
- I. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr.P.Nageswara Rao, Karvy Computershare Pvt. Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail : einward.ris@karvy.com, Phone : 040-67162222. The shareholders may also write to Company at E-mail companysecretary@srikalahasthipipes.com
- J. Members who have acquired shares after the despatch of the Notice and before the Cut off date may obtain the user ID by approaching Mr.P.Nageswara Rao, Karvy Computershare Pvt. Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@karvy.com or write to Company at E-mail: companysecretary@srikalahasthipipes.com Phone: 040-67162222, for issuance of the user ID and password for exercising their right to vote by electronic means.
- K. The result of voting will be announced within 48 hours of the AGM to be held on 19th September, 2018 and the resolutions will be deemed to have been passed on the date of the AGM, subject to receipt of the requisite number of votes in favour of the resolutions.
- L. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company www.srikalahasthipipes.com and on Karvy's website (<https://evoting.karvy.com>) within 48 hours of completion of voting.

By Order of the Board
For Srikalahasthi Pipes Limited

Place: Chennai
Date: 30th July, 2018

G. Kodanda Pani
Company Secretary

**ANNEXURE TO THE NOTICE
(EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 OF THE COMPANIES ACT, 2013)**

Item No.4:

The Board of Directors, on the recommendation of Audit Committee, has approved the appointment of M/s. Narasimhamurthy & Co., a firm of Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 at a remuneration of INR 1,40,000 (INR One Lakh Forty Thousand only) plus applicable taxes and reimbursement of out of pockets expenses at actual.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read together with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out in Item No. 4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No.4 of the Notice above by way of ordinary resolution.

None of the Directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution as set out in Item No.4 of the Notice.

Item No.5:

Based on the recommendation of the Nomination & Remuneration Committee, Ms. Priya Manjari Todi was appointed as an Additional Director on the Board of the Company with effect from 31st January, 2018 to hold office upto the date of this Annual General Meeting.

Ms Priya Manjari is B.Com (Hons) from Calcutta University. She belongs to a reputable business/industrial family and her father, Shri Mayank Kejriwal is the Managing Director of your Company and Joint Managing Director of Electrosteel Castings Ltd, the pioneer of D.I. Pipe manufacturing in India.

She has completed Bachelor in Information Technology from Manipal University. She is the promoter of Joolz Creations Pvt. Ltd. – a precious and semiprecious jewelry manufacturing firm and has 15 years experience in the field. Presently she is working in Electrosteel Castings Ltd and has considerable exposure in various fields of day to day operations of manufacturing, purchase, marketing and export.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Ms. Priya Manjari Todi as a Director of the Company.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of her qualifications, experience and other attributes, that her induction on the Board would be of immense benefit to the Company and it is desirable to avail her services as a director to strengthen the management of the Company.

The Board of Directors of the Company, therefore, recommends passing of the resolutions as set out in Item No.5 of the Notice above by way of ordinary resolution.

Except Ms. Priya Manjari Todi and Shri Mayank Kejriwal, Managing Director, none of the Directors or key managerial personnel of the Company or their relatives, except to the extent of shareholding in the Company, if any, is concerned or interested, financially or otherwise in the resolution as set out in Item No.5 of the Notice.

Item No.6:

It may be recalled that Shri G.S. Rathi was appointed as Whole-time Directors of the Company with effect from 1st July, 2015 at the meeting of the shareholders held on 24th August, 2015 as per the terms of remuneration approved by the shareholders in the said Annual General Meeting of the Company.

The Company, during the FY 2017-18, has achieved significant growth with its turnover crossing INR 1500 crores. Shri G.S. Rathi, Whole-time Director has provided dedicated and meritorious services and made significant contribution to the overall growth of the Company. Since there has been a considerable increase in his duties and responsibilities and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on 28th April, 2018, on the recommendations made by the nomination and remuneration committee, has approved the proposal of payment of commission over and above remuneration payable to him, not exceeding 0.5% of the net profits of the Company as computed in the manner laid down in Sections 197 and 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, for the relevant financial year, subject to a maximum amount to be decided by the Board every year starting from the FY 2017-18, till expiry of his present term.

Except for the aforesaid payment of commission, all other terms and conditions of his appointment as the Whole-time director of the Company as approved earlier, shall remain unchanged. The revision in remuneration proposed above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No.6 of the Notice above by way of ordinary resolution.

Except Shri G.S. Rathi, none of the Directors or key managerial personnel of the Company or their relatives, except to the extent of shareholding in the Company, if any, is concerned or interested, financially or otherwise in the resolution as set out in Item No.6 of the Notice.

Item No.7 :

Based on the recommendation of the Nomination & Remuneration Committee, Shri Ashutosh Agarwal was appointed as an Additional Director on the Board of the Company with effect from 30th July, 2018 to hold office upto the date of this Annual General Meeting.

Shri Ashutosh Agarwal is a member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India and has also completed his CS (Inter) from the Institute of Company Secretaries of India. He has more than 30 years (post qualification) experience in the fields of Finance, Accounts, Corporate affairs and Commercial matters. He is currently looking after all the financial matters of the Electrosteel Group.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his qualifications, experience and other attributes, that his induction on the Board would be of immense benefit to the Company and it is desirable to avail his services as a director to strengthen the management of the Company.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Shri Ashutosh Agarwal as a Director of the Company.

The Board of Directors of the Company, therefore, recommends passing of the resolution as set out in Item No.7 of the Notice above by way of ordinary resolution.

Except Shri Ashutosh Agarwal, none of the Directors or key managerial personnel of the Company or their relatives, except to the extent of shareholding in the Company, if any, is concerned or interested, financially or otherwise in the resolution as set out in Item No.7 of the Notice.

By Order of the Board
For Srikalahasthi Pipes Limited

Place: Chennai
Date: 30th July, 2018

G. Kodanda Pani
Company Secretary

Intimation required to be furnished as per Regulation 36 of the Listing Regulations, 2015:

As required under the Listing Regulations, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

Name of Director(s)	Shri V. Poyyamozhi	Ms. Priya Manjari Todi	Shri Ashutosh Agarwal
Date of Birth	6th February, 1957	29th November, 1980	18th July, 1965
DIN	07887406	01863690	00115092
Date of appointment	10th August, 2017	31st January, 2018	30th July, 2018
Qualifications	BE (Mechanical), ICWA (Intermediate)	B.Com (Hons.) Bachelor in Information Technology	Member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India and CS (Inter).
Brief Profile	Mr. V. Poyyamozhi, B.E Mechanical, ICWA (Intermediate), leads the company's integrated plant production team and has been associated with the Company for the last four years. He has a strong track record of results, execution excellence and improved efficiency while driving the team to score highest customer satisfaction. Mr. V. Poyyamozhi has spent nearly 34 years in steel industry. He started his career in Bhilai Steel Plant, where he rose through the ranks in 18 years of service. He then joined JSW Steel Limited where he was involved in bringing the steel melting facility from 0.8 Million tonnes capacity to 12 Million tonnes capacity and he resigned as Sr. Vice President.	Ms Priya Manjari Todi is B.Com (Hons) from Calcutta University. She belongs to a reputable business/ industrial family and her father, Mr. Mayank Kejriwal is the Managing Director of Srikalahasthi Pipes Limited and Joint Managing Director of Electrosteel Castings Ltd, the pioneer of D.I. Pipe manufacturing in India. She has completed Bachelor in Information Technology from Manipal University. She is the promoter of Joolz Creations Pvt. Ltd. – a precious and semiprecious jewelry manufacturing firm and has 15 years experience in the field. Presently she is working in Electrosteel Castings Ltd and has considerable exposure in various fields of day to day operations of manufacturing, purchase, marketing and export.	Member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. Completed his CS (Inter) from the Institute of Company Secretaries of India. He has more than 30 years (post qualification) experience in the fields of Finance, Accounts, Corporate affairs and Commercial matters. He is currently looking after all the financial matters of the Electrosteel Group.
Directorship in other Public Limited Companies.	-	-	-
Shareholding	Nil	Nil	Nil
Membership in other Board Committees : 1) Audit Committee	-	-	-
2) Nomination & Remuneration Committee	-	-	-
3) Stakeholders' Relationship Committee	-	-	-

FROM TIRUPATHI RAILWAY STATION TO SRIKALAHASTHI PIPES LTD. : 24.7 KM
TRAVEL TIME BY CAR WITHOUT TRAFFIC : 36 MINUTES

NOTES

[illegible]

NOTES

[illegible]

Our Director, Shri. G S Rathi, Chairman, CII, Tirupati Zone participated the all India Planning and Theme Setting meeting of the CII held on 27th March, 2018 at New Delhi.



Local Villagers at the Medical Camp Organized by the Company as a CSR initiative





INSPIRING GROWTH

Srikalahasthi Pipes Limited

Regd. Office & Works

Rachagunneri - 517 641, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh