



SRIKALAHASTHI PIPES LIMITED



Regd. Office & Works: Rachaguneri-517641, Srikalahasthi Mandal, Chittoor District, A.P.,
Ph.:08578 286650 to 55; Fax: 286657/88 Website : www.srikalahasthipipes.com, CIN : L74999AP1991PLCO13391

SPL/SECY/SE/2018-19

August 10, 2019

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 2018-19.

With reference to the above subject, we are herewith submitting Annual Report of the Company for the FY 2018-19 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



Save Water
The World is in our hands

Srikalahasthi Pipes Limited
27th Annual Report 2018-19



PIONEERING



BY ELECTROSTEEL GROUP

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CORPORATE INFORMATION

DIRECTORS

Shri R.K. Khanna, Chairman, DIN 05180042
Shri Gouri Shankar Rathi, Whole-time Director, DIN 00083992
Shri V. Poyyamozi, Whole-time Director, DIN 07887406
Shri T. Venkatesan, DIN 00124050
Smt S. Hemamalini, DIN 01947327
Smt Priya Manjari Todi, DIN 01863690
Shri Ashutosh Agarwal, DIN 00115092
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 Limited
HDFC Bank Limited
IDBI Bank Limited
Axis Bank Limited
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 Fintech Private Limited (KFPL),
Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032.

CORPORATE OVERVIEW

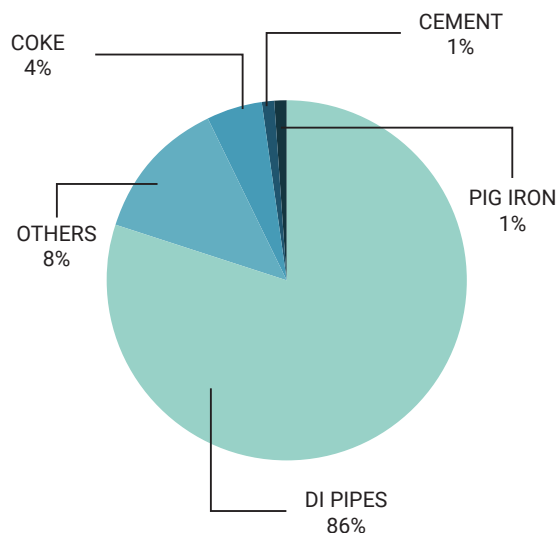
Srikalahasti Pipes Ltd (SPL) is one of the leading players in the DI pipe industry in India and was established in 1991. SPL's plant is located at Rachagunneri, Srikalahasti, Chittoor District, Andhra Pradesh near Tirupati and its key products include DI Pipes, Pig Iron, Coke & and Cement. Srikalahasti 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.

Revenue Distribution FY19

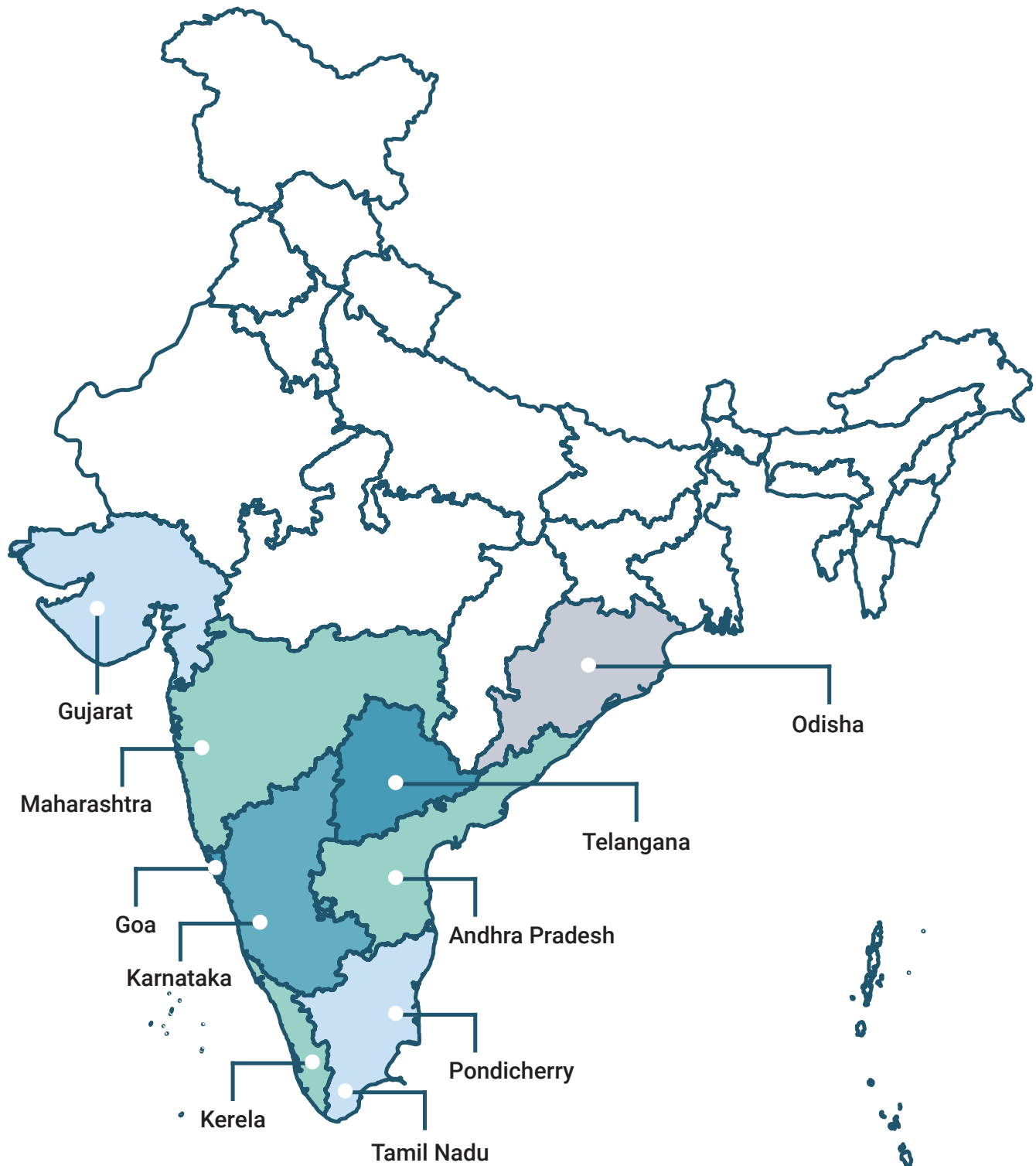


CAPACITY	MTPA
DI Pipe	3,00,000
Pig Iron	2,75,000
Coke Oven Plant	2,70,000
Power	14.5 MW
Cement	90,000
Sinter Plant	5,00,000

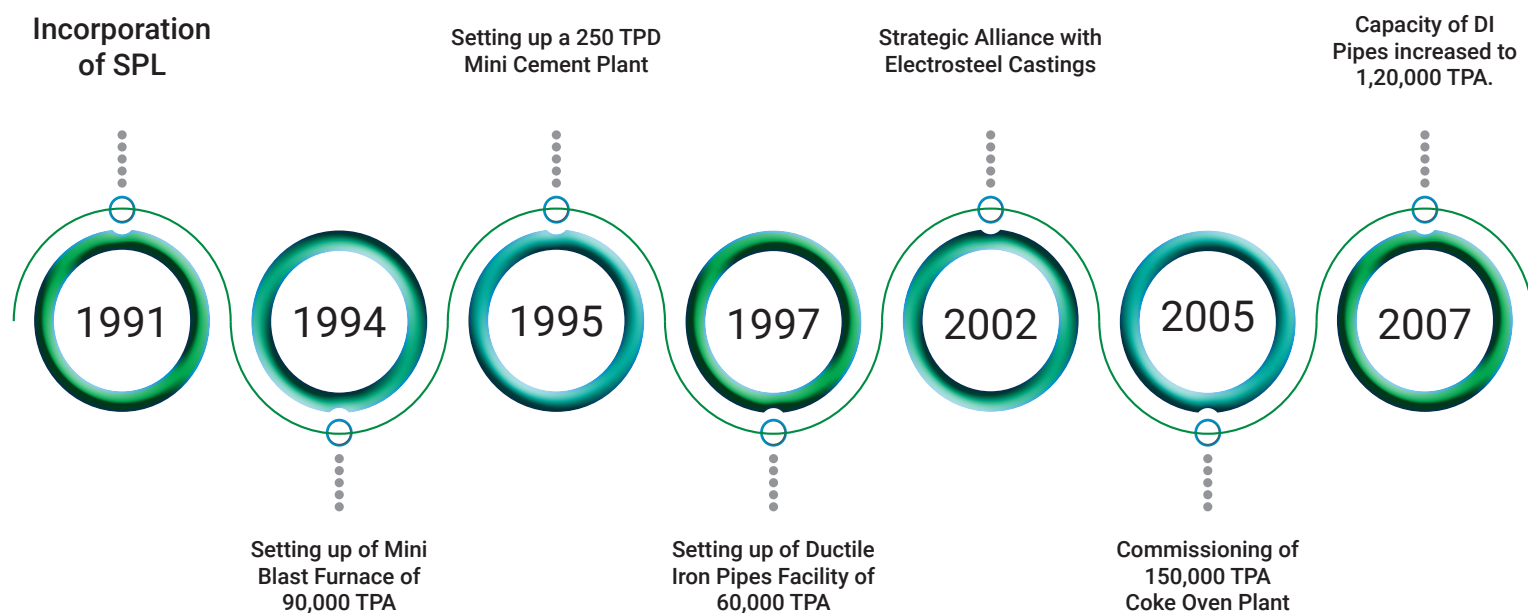
VISION

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.

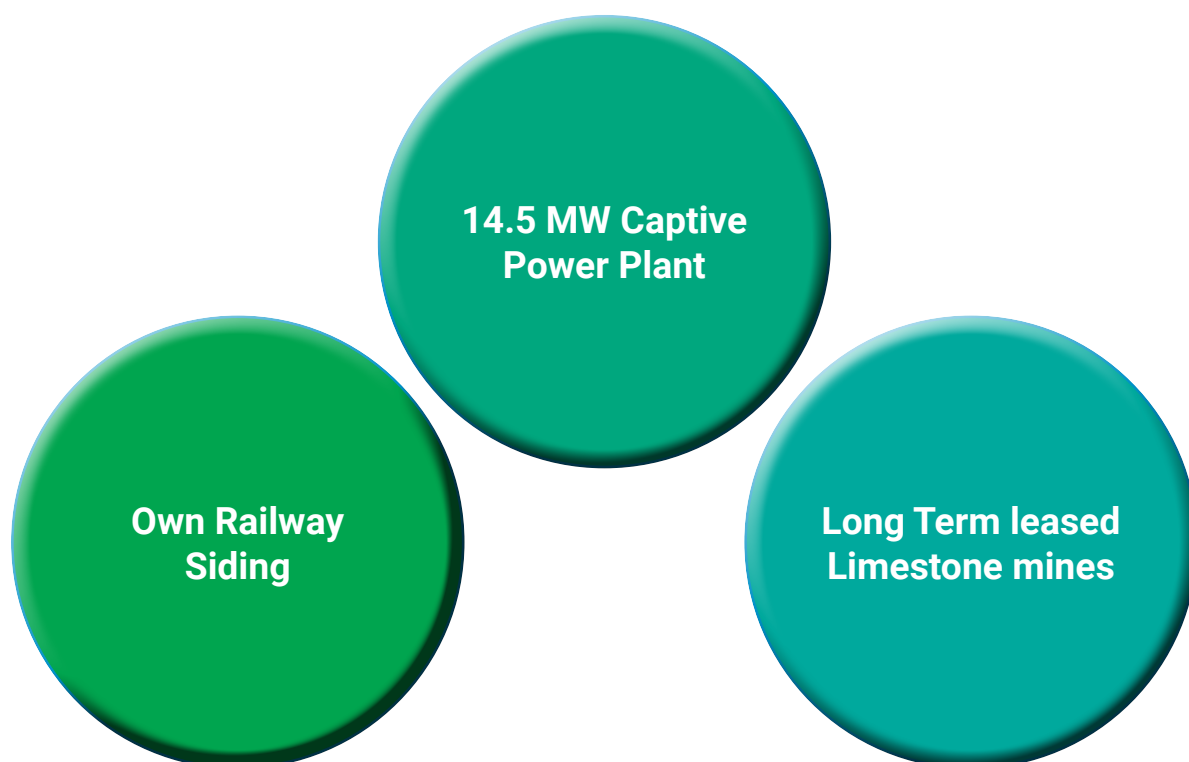
OUR REACH

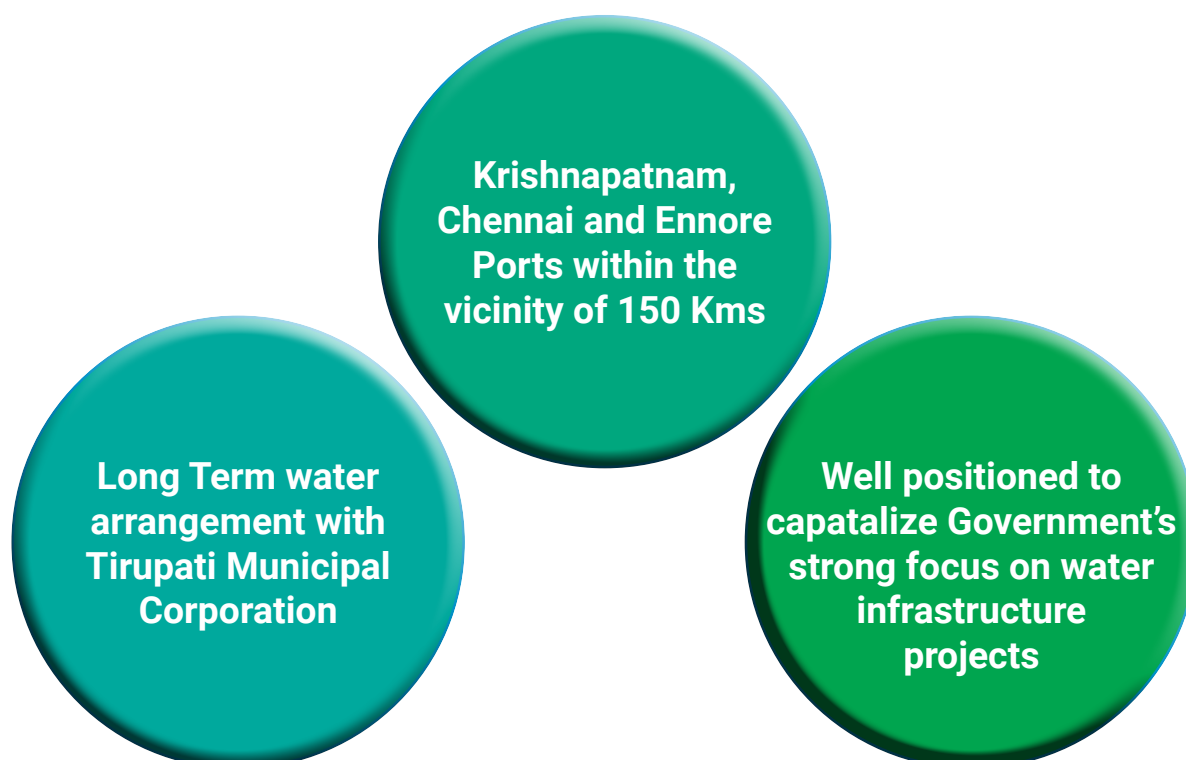
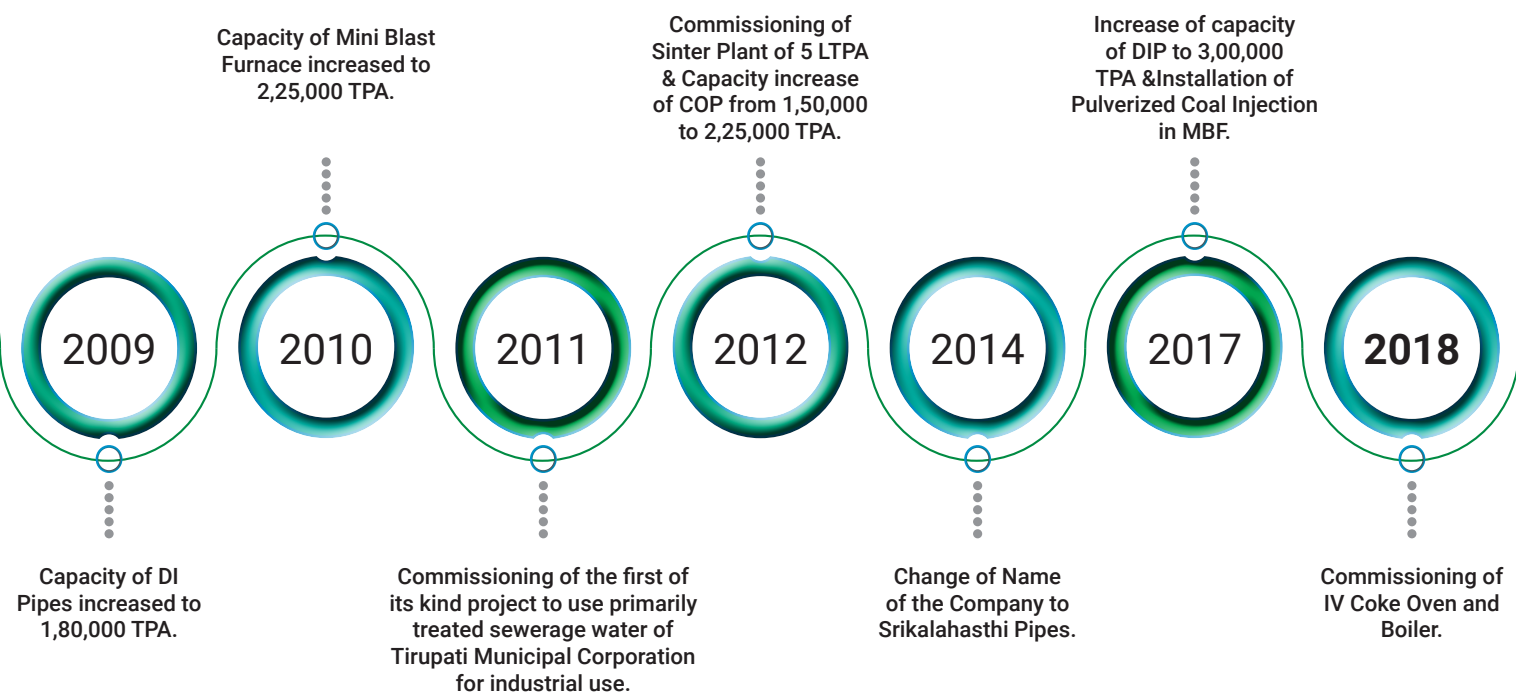


KEY MILESTONES



KEY STRENGTHS





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

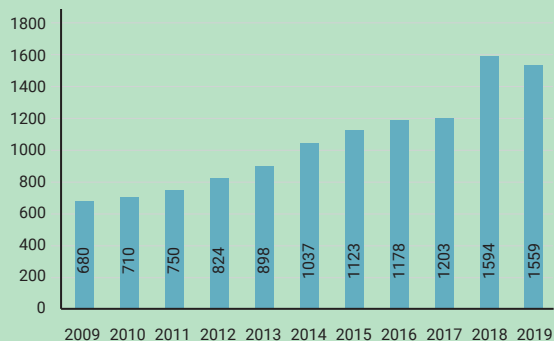
Srikalahasthi sells the cement manufactured under the name "SPL Gold". The company produces Portland slag cement conforming to BIS 455 of 2015. The cement is used extensively in coastal areas where it will safeguard against corrosion due to chlorates and sulphates which are present in the sea breeze



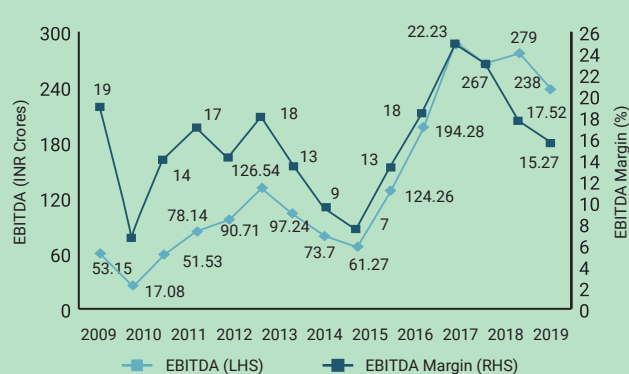
PERFORMANCE HIGHLIGHTS

Particulars	Unit	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	Rs.Cr	680	710	750	824	898	1037	1123	1178	1203	1594	1559
EBITDA	Rs.Cr	91	127	97	74	61	124	194	287	267	279	238
EBITDA Margin	%	14.07	18.32	13.39	9.36	7.09	12.56	17.92	24.34	22.23	17.52	15.27
PBT	Rs.Cr	28	88	56	-4	-21	41	119	210	191	201	160
PAT	Rs.Cr	18	58	42	-4	-13	39	83	155	140	147	117
EPS	Rs.	4.62	14.57	10.57	-0.99	-3.29	9.73	20.87	39.01	35.25	35.53	25.17
Dividend	%	10	15	15	0	0	15	30	50	60	60	60
Book Value	Rs./ Share	31.50	44.49	53.17	52.02	48.73	56.71	139.96	175.36	204.51	252.42	270.33

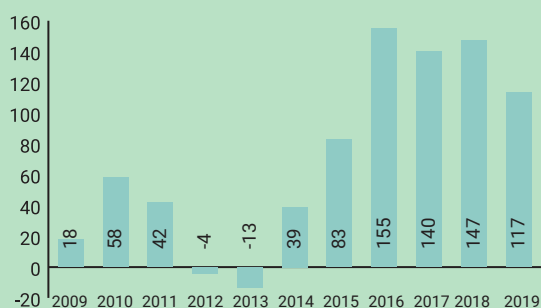
Revenue (INR Crs)



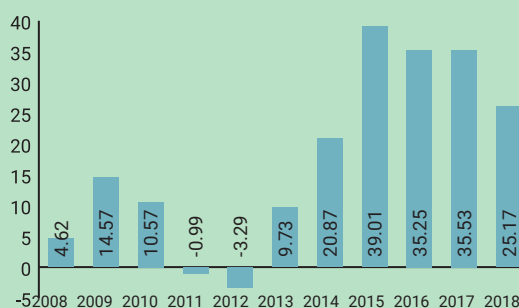
EBITDA (INR Crs) & EBITDA Margin(%)



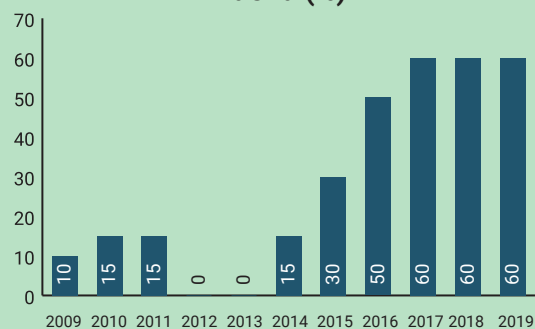
PAT (INR Crs)



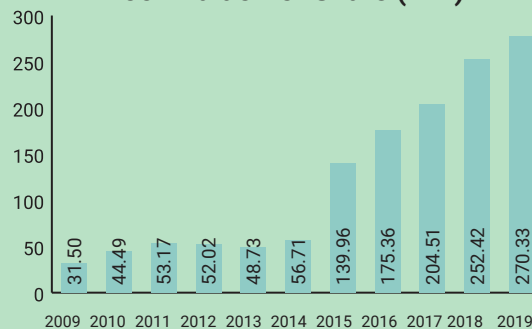
EPS (INR)



Dividend (%)



Book Value Per Share (INR)





DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended 31st March, 2019.

STATE OF COMPANY'S AFFAIRS:

FINANCIAL HIGHLIGHTS		Rs. in Lakhs	
Particulars	2018-19	2017-18	
Revenue from operations	1,55,880.44	1,59,423.25	
Other income	5,064.63	3,713.68	
Total Revenue	1,60,945.07	1,63,136.93	
Earnings Before Interest, Depreciation, Taxation & Amortisation (EBITDA)	23,759.83	27,935.64	
Finance Costs	4,050.23	4,297.41	
Depreciation	3,704.62	3,544.82	
Profit/(Loss) Before Taxation	16,004.98	20,093.41	
Less: Tax including Deferred Tax	4,251.25	5,353.26	
Profit/(Loss) After Taxation	11,753.73	14,740.15	

DIVIDEND:

Your directors recommend payment of dividend of Rs.6 (60%) per equity share of Rs.10/- each for the financial year ended 31st March, 2019 (previous year Rs.6.00 per share) amounting to Rs.3395.07 lakhs (including Rs.593.19 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 Rs.5,000 lakhs to the General Reserve.

SHARE CAPITAL

The paid up equity share capital of your Company as on 31 March 2019 was Rs.46.70 Crores. There was no fresh issue of capital during the year under review. The Company has neither issued shares with differential voting rights, sweat equity shares, nor has it granted any stock options.

REVIEW OF OPERATIONS:

Your Directors are happy to inform that during the FY 2018-19, your company has produced 2,98,514 MT of Ductile Iron Pipes, which is higher by 23,467 MT compared to the FY 2017-18, thus constituting an increase of about 9% over previous year.

Your Company continues to play a constructive role in the nation building movement by contributing to water

supply and infrastructure development in the country, which are the thrust areas of the Government. During the FY 2018-19, your company's Ductile Iron Pipes of about **7,500** KM have been used for transportation of potable water and sewerage under its brand name "**SRIPIPES**" for various prestigious water projects across the country, thus increasing its market share further.

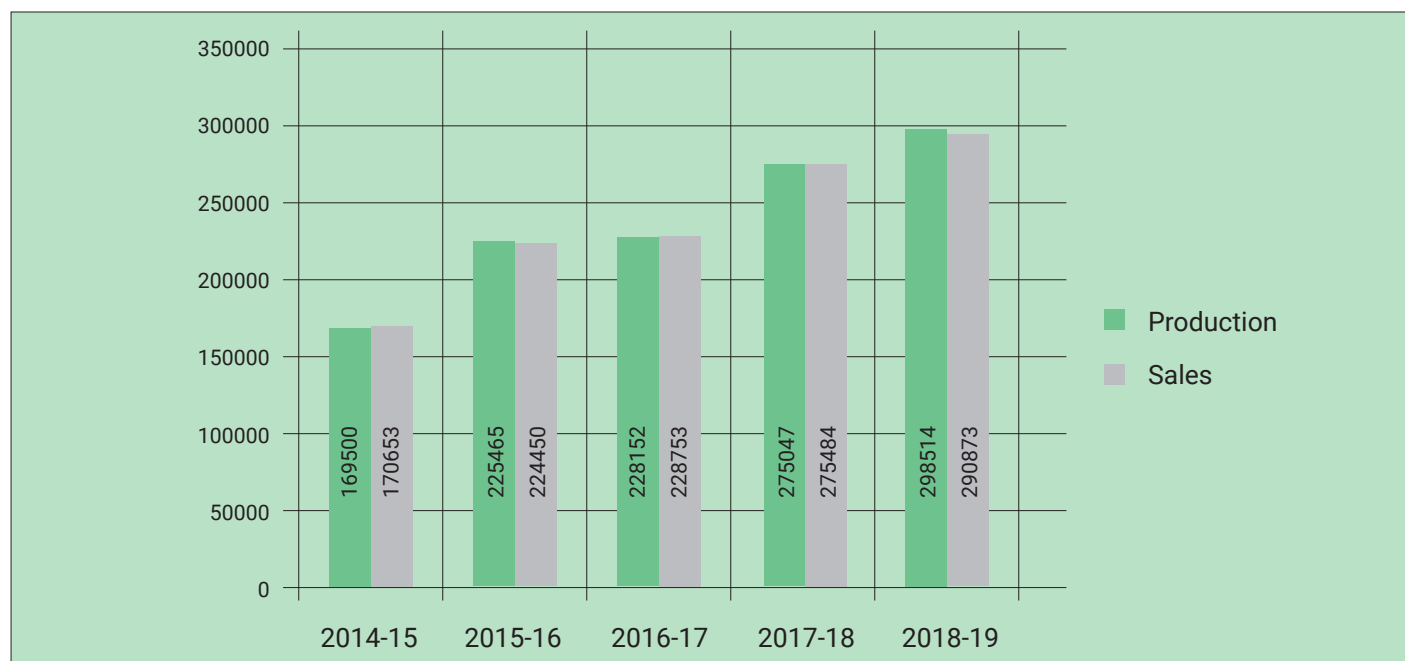
Your Company has successfully installed fourth Coke Oven Battery for expansion of capacity of Coke Oven Plant in the first quarter of the Financial Year 2018-19. This project, besides opening up a new avenue for your Company in terms of sale of excess coke has also resulted in higher steam availability for captive power generation. This apart, the project of installation of additional boiler to facilitate higher power generation has been commissioned successfully in third quarter of the FY 2018-19.

Production at a glance:

Product	2018-19		2017-18		% of Change	
	Prod.	Sales *	Prod.	Sales *	Prod.	Sales
Ductile Iron Pipes (MT)	2,98,514	2,90,873	2,75,047	2,75,484	8.53	5.59
Liquid metal from MBF (MT)	2,88,215	2,87,915	2,76,501	2,76,891	4.23	3.98
LAM Coke (MT)	1,79,586	1,68,105	1,66,003	1,77,355	8.18	-5.2
Cement (MT)	77,394	76,496	93,699	93,634	-17.40	-18.30

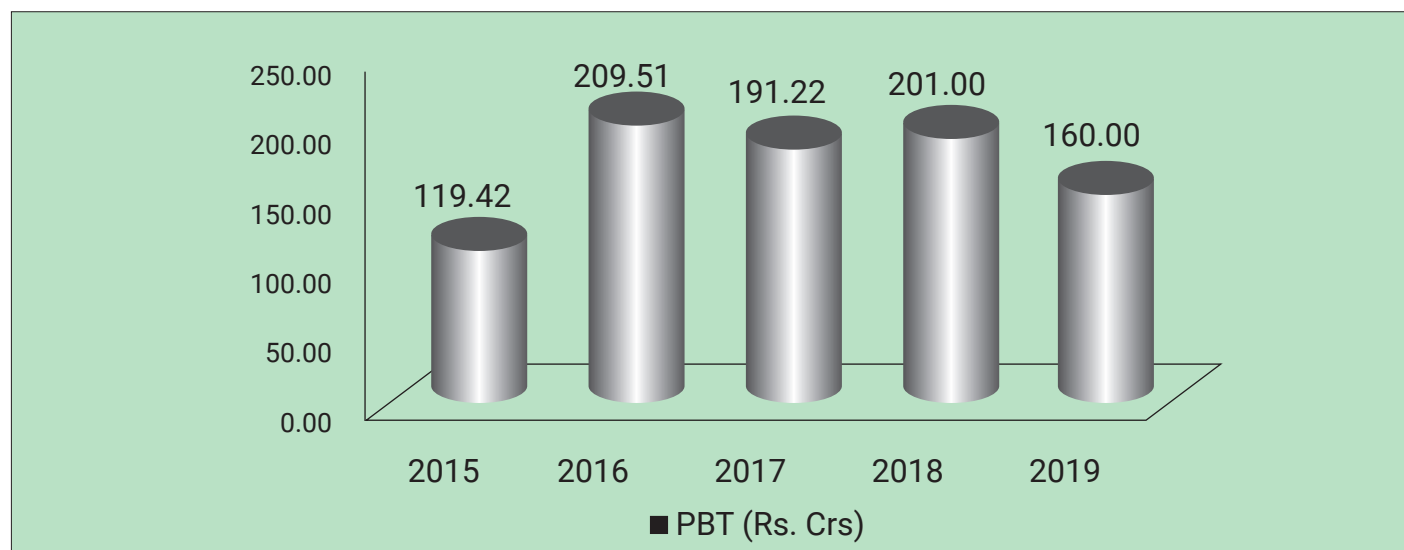
*Sales include captive consumption also.

Production/Sales Growth rate of Ductile Iron Pipes (2015 - 2019):



During the year under review the profitability of the Company was affected mainly on account of higher raw material cost especially Coking Coal, Iron Ore and depreciation of rupee against dollar coupled with lower realization on account of execution of old orders on firm prices. Revenue from Ductile Iron Pipes grew by about 6% to Rs.1,345 Crores from Rs.1,284 Crores in FY 2017-18. Further, with the help of improved operational efficiencies, your Company could be able to protect its margins to some extent. The EBITDA of the Company was Rs. 237.60 Crores and the profit before tax being Rs.160.05 Crores.

Pre-tax Profit (2015 -2019):



FUTURE PROSPECTS:

The Ferro Alloys Project initiated by your Company as a measure of backward integration at a capital investment of about Rs.55 Crores during the FY 2018-19 is as per schedule and first furnace is expected to be commissioned by September, 2019 and the second furnace by December, 2019, whereby leading to self-sufficiency in meeting the captive requirement of Ferro Silicon, besides contributing for higher revenue generation through sale of excess quantity of Ferro Silicon and entire production of Silico Manganese in the domestic and export markets.

Further during the year under review, the CAPEX of about Rs.70 Crores started by your Company towards installation of additional annealing furnace and suitable modifications in finishing line and spinning machines to produce Ductile Iron Pipes upto 1200 mm dia are in progress and these projects are expected to be in place by June, 2020. On successful completion of these projects, the capacity of Ductile Iron Pipe Plant shall increase from 3,00,000 TPA to 3,50,000 TPA.

Your Company is planning to put up new Blast Furnace of 380 meter cube with necessary modifications to all auxiliary systems like Sinter plant, raw material handling systems etc., entailing an investment of about Rs.75 Crores. The new blast furnace is expected to be in place by second quarter of FY 2020-21, leading to enhanced capacity of Blast Furnace from 2,75,000 TPA to 3,50,000 TPA.

The concept of water grid projects to provide potable water for the entire state is becoming popular in the country. Similar to the Bhagiratha water grid project of Telangana during 2016-17, the Government of Andhra Pradesh has started implementation of Jaldhara Water Grid project to provide potable water in the state. Further, implementation of Amaravati Capital project and providing industrial water to SEZ areas in Nellore, Srikalahasthi and Naidupet areas in Andhra Pradesh will generate additional demand of Ductile Iron pipes. Your company will be benefited by these upcoming water supply projects in Andhra Pradesh and increased capacity will be helpful in meeting the demand timely. The focus of the Central Government for potable water supply, 100% sanitation coverage in India, ambitious housing plan for the economically weaker section of the society, Swatch Bharat Mission and implementation of irrigation projects by pipeline will generate higher demand in all States and hopeful of maintaining around 15% growth. Your Company is hopeful of improved working during the financial year 2019-20 in view of higher demand of D.I. Pipes in Andhra Pradesh where the plant is situated.

CREDIT RATING:

Considering the operational and financial performance of the Company, CARE Limited reaffirmed its rating for the Company's long term borrowing programmes with CARE AA- (Double A Minus) and CARE A1+ (A One Plus) for the short term bank 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+ indicates very strong degree of safety regarding timely payment of financial obligations carrying lowest credit risk.

CHANGES IN DIRECTORS / KEY MANAGERIAL PERSONNEL:

Upon the recommendation of Nomination and Remuneration Committee, the Board has approved the appointment of Mr Ashutosh Agarwal as an additional director of the Company with effect from 30th July, 2018 and the same has been approved by the shareholders at the Annual General Meeting of the Company held on 19th September, 2018.

Upon the recommendation of the Nomination and Remuneration Committee, the Board has approved the appointment of Mr T. Venkatesan as Additional Independent Director of the Company with effect from 31st January, 2019 and he 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 Mr T. Venkatesan, for appointment as a Director of your Company. Brief profile of Mr T. Venkatesan is given in the notice of the Annual General Meeting for the perusal of the shareholders.

During the year under review directors Mr S.Y. Rajagopalan and Mr G. Maruthi Rao have resigned from their directorships with effect from 31st January, 2019 on personal grounds. Your Directors place on record their appreciation for the active participation and valuable services rendered to the Company by Mr S.Y. Rajagopalan and Mr G. Maruthi Rao during their association with the Company.

Mr G.S Rathi 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 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 as amended from time to time.

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 follows the highest standards of Corporate Governance best practices. It adheres to and has

implemented the requirements set out by SEBI's Corporate Governance norms. A separate section on Corporate Governance forms a part of the Directors' Report at Annexure I to this Report.

A certificate confirming the compliance of conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Secretarial Auditors of the Company 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 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 has adopted a Nomination and Remuneration Policy recommended by Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act. The Nomination and Remuneration Policy is available at the company's website 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 include:-

- 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.
- To recommend to the Board on remuneration payable to the Directors and Key Managerial Personnel.
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Devise a policy on Board diversity.

Criteria for making payments to non-executive directors:

The aggregate remuneration/commission payable to all the Non-executive directors will be recommended by the Nomination and Remuneration Committee (NRC) to the Board based on Company's performance, profits and any other significant qualitative parameters as may be decided by the Board.

The NRC will recommend to the Board, the quantum of remuneration/commission for each Director based upon individual contributions of directors and their active involvement and participation in strategic decision making. Based on the recommendation of the NRC, the Board will consider payment of remuneration/commission to each of the non-executive director every year, for its approval, which shall be within the overall limits prescribed under the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :

Your Company believes in the policy of giving back to the society and has carried a host of CSR activities laying significant emphasis on development of the communities around which it operates. Your Company has identified several corporate social responsibility initiatives relating to Social Empowerment & Welfare, Village development, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighbouring villages around plant locations.

The Board has adopted a Corporate Social Responsibility Policy (CSR Policy), in accordance with Schedule VII of the Companies Act, 2013. The Annual 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 FY 2018-19, the Company has spent about Rs.3.68 Crores as against Rs.3.87 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. Your Company further continues to emphasize on initiatives that would contribute to the overall welfare of the communities and make a difference in the quality of living of the underprivileged.

During the year under review, the Company's spend on the CSR activities has been slightly lower than the limits prescribed under Companies Act, 2013. The CSR activities of the Company are scalable with certain new initiatives, which the Company could not implement during the year due to delay in execution of certain programmes, which shall be considered in future. Moving forward, the Company will endeavour to spend the complete amount on CSR activities in accordance with the statutory requirements.

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. The Company is committed to the highest standards of ethical, moral and legal business conduct. The Policy provides for adequate safeguard against victimization of employees who avail the mechanism and also provides direct access to the Chairperson of the Audit Committee. Specifically, employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. 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

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE POLICY:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there-under, your Company has constituted Internal Complaint Committees (ICC). While maintaining the highest governance norms, the Company has zero tolerance for sexual harassment at workplace. During the year 2018-19, the Company has not received any complaint of sexual harassment.

BOARD EVALUATION :

Pursuant to the corporate governance requirements as prescribed in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, Board Committees and of individual directors. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole, performance of the Committee(s) of the Board and performance of the Chairman was evaluated, taking into account the views of other directors. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

FAMILIARISATION PROGRAMME :

The Company, on a regular basis, makes detailed presentations to the entire Board including Independent Directors on the Company's operations and business plans, strategy, Such presentations are made by the senior management/ leadership team/function heads so that the Independent Directors can have direct interaction with them. 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.

The Company organised a Plant visit for independent directors along with Senior Management team in September, 2018 to apprise the directors on the detailed operational aspects. The Directors were apprised on key aspects including the industry and market trend and the Company's performance and its future projects.

The details of programmes for familiarisation for Independent Directors are posted on the website of the Company at www.srikalahasthipipes.com

NUMBER OF MEETINGS OF THE BOARD:

The details of the number of Meetings of the Board held during the Financial Year 2018-19 are given in the Corporate Governance Report which forms part of this report.

RELATED PARTY TRANSACTIONS:

All related party transactions (RPTs) entered into by the Company with its related parties during the year under review were on arms' length basis and in the ordinary course of business and did not attract provisions of section 188 of the Companies Act, 2013 and were also not material transactions under regulation 23 of the SEBI Listing Regulations, 2015. During the year 2018-19, as required under section 177 of the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations, 2015, all RPTs were placed before Audit Committee for its approval.

A statement showing the disclosure of transactions with related parties as required by Ind As 24 are shown separately in this Annual Report under notes to financial statements. There were no material transactions entered

into with related parties, during the year under review, which may have had any potential conflict with the interests of the Company.

No Related Party Transactions (RPTs) were entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013. There being no 'material' related party transactions as defined under regulation 23 of SEBI Listing Regulations, 2015, there are no details to be disclosed in Form AOC-2 in that regard.

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.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES :

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 IV.

QUALIFIED INSTITUTIONS PLACEMENT :

Your Company has successfully raised Rs.250 crores through its Qualified Institutional Placement (QIP) in the month of December, 2017, 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. Utilization of QIP proceeds during the FY 2018-19 in compliance of SEBI's LODR Regulations, 2015 is given below.

Utilization of QIP Proceeds

Particulars	Mar-18	Mar-19	Total
Amount received from QIP Issue	25,000	-	25,000
Less:			
Payment of HDFC Term Loan & ICICI ECB	1,030	4,184	5,214
Capex	1,563	1,373	2,936
Exp of QIP	559	-	559
Working Capital Requirement	-	11,686	11,686
Fixed Deposits lying in Banks	21,848	4,605	4,605
Total	25,000	21,848	25,000

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 V and forms part of this report.

Extract of Annual Return:

As per the requirements of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the annual return for FY 2018-19 is given in Annexure VII in the prescribed Form No. MGT-9, which is 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 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 Rs.28.56 lakhs during the year ended 31st March, 2019.

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, 2019, 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 associates 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.
9. The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2).

STATUTORY AUDITORS:

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 held in 2017 till the conclusion of 30th Annual General Meeting of the Company to be held in 2022.

The requirement to place the matter relating to appointment of the Auditors for ratification by the members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of the Auditors, who were appointed in the Annual General Meeting held on 27th September, 2017. 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 terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. Narasimhamurthy & Co., Cost Accountants, Hyderabad as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2020, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting. The Cost Audit Report of the Company for the Financial Year ended 31 March, 2018 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 2018-19. 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 VI to this report and it does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS:

In line with the provisions of Section 138 of the Companies Act, 2013, M/s. Chaturvedi & Co, Chennai were appointed by the Board as Internal Auditors of the Company for the FY 2018-19. The Audit Committee defines the scope of internal audit from time to time and also reviews the observations of internal auditors and the action taken report submitted by the management on the observations at its meeting held every quarter and also suggests the management the improvements required in the systems followed by the Company.

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.

Your 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 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. 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 – IV.
5. 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 – V.
6. 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 – VI.
7. As per the requirements of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the extract of the annual return for the FY 2018-19 is enclosed vide Annexure VII.

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, 2019 and of the profit of the Company for the financial year ended 31st March, 2019.
- 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, and
- 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 wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. Authorities, Customers, Auditors and other stakeholders. The Board thanks the employees at all levels for the dedication, commitment and hard work put in by them for Company's achievements. Your Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in the management of the 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.

By Order of the Board
For Srikalahasthi Pipes Limited

R.K. Khanna
Chairman

Place: Chennai.
Dated: 8th May, 2019



REPORT ON CORPORATE GOVERNANCE

Annexure I to Directors' Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company is committed to the adoption and implementation of good corporate governance practices and its adherence at all times as mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by establishing procedures and systems. Periodic review of the procedures and systems are done in order to ensure that Company's governance practices reflect the culture of the trusteeship deeply ingrained in our value system.

In line with this philosophy, the Company always strives for excellence through adoption of best governance and disclosure practices. The Company, as a continuous process, strengthens the quality of disclosures, on the Board composition and its functioning, remunerations paid and level of compliance with various Corporate Governance Codes.

BOARD OF DIRECTORS:

In keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The composition of the Board of your Company is in conformity with Regulation 17 of SEBI (LODR), Regulations, 2015. 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 provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part of its functioning, annually reviews its role and also evaluates the performance of the Directors and the Committees of the Board.

The Board of Directors of your Company are seasoned professionals drawn from diverse fields, possessing requisite qualifications and experience in general corporate management, finance, economics, and other allied fields which enable them to contribute effectively to your Company and enhance the quality of Board's decision making process.

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, 2019 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 R. K. Khanna	Chairman – Non-executive- Independent	-	-	-
Shri Mayank Kejriwal	Managing Director-Executive	7	-	1
Shri Gouri Shankar Rathi	Whole-Time Executive Director	-	-	-
Shri V. Poyyamozhi	Whole-Time Executive Director	-	-	-
Ms. S. Hemamalini	Non-Executive - Independent	-	-	-
Shri T. Venkatesan	Non-Executive - Independent	4	-	-
Ms. Priya Manjari Todi	Non-Executive – Non-Independent	-	-	-
Shri Ashutosh Agarwal	Non-Executive – Non-Independent	-	-	-
Shri Solomon Arokia Raj, IAS (i)	Non- Executive - Nominee Director	4	-	-

(i) 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.

Details of directorships held in other listed entities by the directors:

Name of Director	Name of listed entity	Category
Shri Mayank Kejriwal	Electrosteel Castings Limited	Executive Director
Shri T. Venkatesan	Dalmia Bharat Sugar Industries Limited	Non-Executive Independent Director

Confirmation regarding independent directors :

The Board of Directors has reviewed the declarations received from the Independent Directors 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 as amended from time to time and is of the opinion that the independent directors fulfill the conditions specified in the Companies Act and Listing Regulations and are independent of the management.

Skills/expertise/competence of the board of directors:

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Business: Expertise in marketing management and business development. Understanding of business dynamics across various geographical markets, industry verticals. Financial management and banking.

Strategy and Planning: Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make timely and strategic decisions. Entrepreneur, Business and Corporate Planning and Strategy.

Governance: Exposure in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, organizational and Business Management.

BOARD PROCEDURES AND INFORMATION PLACED BEFORE THE BOARD:

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are supported by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated at least seven days prior to the Board meeting. 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 addition to matters required to be placed before the Board, for its review / information under the Listing Regulations 2015 and other statutes, the following are also tabled for the Board's periodic review / information:- External Audit Management Reports (through the Audit Committee), Status of safety and legal compliance, Risk management systems and processes, Significant court judgement or order passing strictures, if any, on the conduct of the Company, which could negatively impact the Company's image. Product liability claims of a substantial nature, if any. Default, if any, in payment of dues to any major creditor. Write-offs / disposals (fixed assets, inventories, receivables, advances etc.), Significant development in Human Resources / Industrial Relations. Material non-compliance of any regulatory or listing requirements.

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. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/ divisions for implementation.

With a view to leveraging technology and moving towards the system of paperless meetings for the preservation of environment, the Company has adopted the practice of conducting paperless meetings and for this purpose made iPads available to desirous directors. The directors of the Company receive the agenda and other related papers of Board and its Committee meetings in electronic form through mail, which will be accessed through their respective iPads during the course of meeting.

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 2018-19, Six Board Meetings were held and the dates of the meetings are as follows:

28th April, 2018, 30th July, 2018, 8th September, 2018, 19th September, 2018, 31st October, 2018 and 31st January, 2019.

The following table highlights the attendance of each Director at the respective meetings during the year 2018-19:

Name of Director	Board Meetings		AGM
	Held	Attended	
Shri R. K. Khanna	6	5	YES
Shri G Maruthi Rao (i)	6	5	YES
Shri Mayank Kejriwal	6	5	NO
Shri Gouri Shankar Rathi	6	6	YES
Shri V. Poyyamozhi	6	6	YES
Shri S. Y. Rajagopalan (ii)	6	6	YES
Ms. S. Hemamalini	6	3	NO
Shri T Venkatesan (iii)	1	1	NA
Ms. Priya Manjari Todi	6	6	NO
Shri Ashutosh Agarwal	5	5	NO
Shri Solomon Arokia Raj, IAS	6	0	NO

- (i) Resigned from the directorship w.e.f. 31st January, 2019.
- (ii) Resigned from the directorship w.e.f. 31st January, 2019.
- (iii) Appointed as additional director w.e.f. 31st January, 2019.

Resignation of independent directors :

During the FY 2018-19, independent directors Mr S.Y. Rajagopalan and Mr G. Maruthi Rao have resigned from their directorships with effect from 31st January, 2019 on personal grounds.

Familiarisation Programme for Independent Directors:

The Company believes that a Board, which is well familiarised with the Company and its affairs, can contribute effectively discharge its role in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions. Visits to Company's facilities are also organised for the 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 19th September, 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.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole.

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. Shri T. Venkatesan 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 Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR), Regulations 2015.

The Audit Committee acts as a link between the management, the statutory and the internal auditors and

the Board of Directors and oversees the financial reporting process. The Committee is governed by terms of reference, which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Listing Regulations.

The role of the Committee includes the following:

- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors.
- c) To recommend the appointment, remuneration of Cost Auditors.
- d) To approve transactions of the Company with related parties, including modifications thereto.
- e) To review and monitor the Statutory Auditors' independence and performance, and effectiveness of the audit process.
- f) To evaluate the Company's internal financial controls and risk management systems;
- g) To review with the management the Annual financial statements and Auditors' Report thereon before submission to the Board for approval.
- h) To review quarterly financial statements before submission to the Board for approval.
- i) To review Management discussion and analysis of financial condition and results of operations
- j) To review adequacy of internal financial control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and Internal Auditors;
- k) To review Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon
- l) To review the functioning of Whistle Blower mechanism in the Company.

Apart from the above, the role and powers of the Audit Committee are as laid down under Regulation 18(3) and Part C of Schedule II of the SEBI (LODR Regulations, 2015) and Section 177 of the Companies Act, 2013.

The Audit Committee during the year ended 31st March, 2019 had five meetings i.e. on 28th April, 2018, 30th July, 2018, 19th September, 2018, 31st October, 2018 and 31st January, 2019.

Consequent to change in directors, the Audit Committee has been reconstituted with effect from 31st January, 2019.

The composition of the Audit Committee as on 31st March, 2019 and attendance during the year are as under:

Sl. No.	Name of Directors	Position	Executive / Non-Executive / Independent	No. of meetings attended
1	Shri T. Venkatesan (1)	Chairman	Independent, Non-Executive	-
2	Shri R. K. Khanna	Member	Independent, Non-Executive	5
3	Ms S. Hemamalini (2)	Member	Independent, Non-Executive	-
4	Shri G. Maruthi Rao (3)	Member	Independent, Non-Executive	5
5	Shri S. Y. Rajagopalan (4)	Member	Independent, Non-Executive	5

(1) Inducted into the Committee and appointed as Chairman of the Committee w.e.f. 31st January, 2019.

(2) Inducted into the Committee as a Member w.e.f. 31st January, 2019.

(3) Ceased to be Member of the Committee w.e.f. 31st January, 2019.

(4) Ceased to be Member of the Committee w.e.f. 31st January, 2019.

The Audit Committee met on 8th May, 2019 for considering finalization of accounts for the year ended 31st March, 2019.

Mr. G. Kodanda Pani Sr.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, erstwhile Chairman of the Audit Committee had attended the last Annual General Meeting

of the Company held on 19th September, 2018 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.

Consequent to change in directors, the Nomination and Remuneration Committee has been reconstituted with effect from 31st January, 2019.

The composition of the Nomination & Remuneration Committee as on 31st March, 2019 and attendance during the year are as under:

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

(1) Inducted into the Committee and appointed as Chairman of the Committee w.e.f. 31st January, 2019.

(2) Ceased to be Member of the Committee w.e.f. 31st January, 2019.

(3) Ceased to be Member of the Committee w.e.f. 31st January, 2019.

(4) Inducted into the Committee as a member w.e.f. 31st January, 2019.

The Nomination and Remuneration Committee met three times during the year on 28th April, 2018, 30th July, 2018 and 31st January, 2019. The necessary quorum was present at all the meetings. Shri R. K. Khanna, erstwhile Chairman of the Nomination and Remuneration Committee had attended the last Annual General Meeting of the Company held on 19th September, 2018 to answer the queries of shareholders. The criteria for nomination of Directors, KMP, Senior Management Personnel and their remuneration is described in Nomination and Remuneration Policy of the Company which can be accessed at the website of the Company www.srikalahasthipipes.com.

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 terms of reference of the Committee inter alia include the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Devise a policy on Board diversity.

Remuneration to Directors

The Board of directors decides remuneration payable to executive and non-executive directors. Besides sitting fees of Rs.45,000 per meeting of the Board, Audit Committee and Rs.20,000 per meeting of other Committees thereof, the Company also pays commission to the non-executive directors. For the FY 2018-19, the Board, based on the recommendation of Nomination and Remuneration Committee has approved a commission of Rs.89,00,000 to the non-executive directors, which 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 8th May, 2019 approved remuneration to executive and non-executive directors as given in table hereunder. The commission and 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 (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Shri R.K.Khanna	6,00,000	6,10,000	12,10,000
Shri G. Maruthi Rao	---	5,30,000	5,30,000
Shri Mayank Kejriwal	7,90,00,000	---	7,90,00,000
Shri Gouri Shankar Rathi	2,01,23,903	---	2,01,23,903
Shri V. Poyyamozhi	1,39,41,925	---	1,39,41,925
Shri S.Y. Rajagopalan	---	6,35,000	6,35,000
Smt S.Hemamalini	6,00,000	1,35,000	7,35,000
Shri T. Venkatesan	6,00,000	45,000	6,45,000
Smt Priya Manjari Todi	65,00,000	2,70,000	67,70,000
Shri Ashutosh Agarwal	6,00,000	2,25,000	8,25,000
Total	12,19,65,828	24,50,000	12,44,15,828

Notes :

- There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31.3.2019, other than those disclosed under related party transactions elsewhere in the Annual Report.
- No stock options have been granted to any Director of the Company.
- Mr.G. Maruthi Rao and Mr. S.Y. Rajagopalan ceased to be directors with effect from 31st January, 2019.

Criteria for making payments to non-executive directors:

The aggregate remuneration/commission payable to all the Non-executive directors will be recommended by the Nomination and Remuneration Committee (NRC) to the Board based on Company's performance, profits and

any other significant qualitative parameters as may be decided by the Board.

The NRC will recommend to the Board, the quantum of remuneration/commission for each Director based upon individual contributions of directors and their active involvement and participation in strategic decision making. Based on the recommendation of the NRC, the Board will consider payment of remuneration/commission to each of the non-executive director every year, for its approval, which shall be within the overall limits prescribed under the Companies Act, 2013.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 2015, the Directors have carried out annual performance evaluation of the Board as a whole, Independent Directors, Non Executive Directors, Executive Directors, Committee and Chairman of the Board.

The evaluation framework focused on various aspects of the Board and Committees such as review of timely information from management etc. Also, the performance of individual directors was divided into Executive, Non Executive and Independent Directors and based on the parameters such as contribution, attendance, decision making, action oriented approach, external knowledge etc.

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.

Subsidiaries:

The Company has no subsidiary.

Details of Equity Shares of the Company held by Non-Executive Directors as on 31st March, 2019:

Name of the Non-Executive Director	No. of shares
Shri R. K. Khanna	Nil
Smt. S. Hemamalini	Nil
Shri T. Venkatesan	Nil
Smt. Priya Manjari Todi	Nil
Shri Ashutosh Agarwal	7500
Shri Solomon Arokia Raj, IAS	Nil

Management Discussion & Analysis:

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 Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors Senior Management employees of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code is available on the Company's website www.srikalahasthipipes.com.

All Directors and Senior Management personnel have affirmed compliance with the new Code for 2018-19. A declaration to this effect signed by the Managing Director is given in this Annual Report.

Prevention of Insider Trading Code:

The Company has adopted a Comprehensive Code of Conduct for Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information in the securities of the Company to its Directors, Promoters, Key Managerial Personnel and Designated Persons. This Code lays down guidelines for procedure to be followed and disclosures to be made by insiders while trading in securities of the Company. It also includes practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Designated Persons and their immediate relatives 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 promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Under this Policy, employees are free to report violations of applicable laws and regulations and Code of Conduct. The Whistle Blower may send the complaint to the Chairman of the Audit Committee.

Further, it is hereby affirmed that the Company has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and that the Company has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices. 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.

STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Company has constituted Stakeholders' Relationship Committee. The composition and terms of reference of the Stakeholders' Relationship Committee are in accordance with the provisions of Section 178 (5) of the Companies Act, 2013.

Consequent to change in directors, the Stakeholders' Relationship Committee has been reconstituted with effect from 31st January, 2019. The composition of Stakeholders' Relationship Committee and the attendance during the FY 2018-19 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.S. Rathi	Member	Executive	4
3	Shri Ashutosh Agarwal (1)	Member	Non-independent Non-Executive	—
4	Shri S.Y. Rajagopalan (2)	Member	Independent Non-Executive	4

(1) Inducted into the Committee w.e.f. 31st January, 2019.

(2) Ceased to be Member of the Committee w.e.f. 31st January, 2019.

The terms of reference of the committee:

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

The Committee shall deal with various matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/notices/Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialisation of shares, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The terms of reference of the Committee are as follows:

1. To specifically look into the redressal of grievances of shareholders, debenture holders and other security holders;
2. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
3. To review the status of unclaimed dividend and shares transferred to IEPF Authority.
4. To act in terms of any consequent statutory modification(s)/ amendment(s)/revision(s) to any of the applicable provisions to the said Committee.

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 Fintech Private Limited (KFPL), Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. KFPL 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 2018-19:

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	9	9	Nil
Non-Receipt of Share Certificates	Nil	7	7	Nil
Non-Receipt of Annual Reports	Nil	2	2	Nil
Total	Nil	18	18	Nil

As confirmed by M/s Karvy Fintech Private Limited (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 Rs.5,47,365 pertaining to FY 2010-11 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 2011-12 and onwards, if any 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
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	28.09.2023
2016-17	6.00	27.10.2017	26.10.2024
2017-18	6.00	19.10.2018	18.10.2025

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 is available on the website of the Company www.srikalahasthipipes.com.

d. Details of un-claimed Suspense account :-

As on 31 March 2019, there are no shares lying in the unclaimed suspense account.

COMPLIANCE OFFICER/ NODAL OFFICER FOR IEPF:

Mr. 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 Company has constituted Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility (CSR) Committee are in accordance with the provisions of Section 135 of the Companies Act, 2013. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR

Policy. The CSR policy of the Company is disclosed on the Company's Website www.srikalahasthipipes.com

The terms of reference of the CSR Committee broadly comprises:

- To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the CSR Policy of the Company from time to time; and
- To act in terms of any consequent statutory modification(s)/ amendment(s)/revision(s) to any of the applicable provisions to the said Committee.

Consequent to change in the directors of the Company, the Corporate Social Responsibility Committee was reconstituted with effect from 31st January, 2019. The composition of the Corporate Social Responsibility Committee and the attendance during the FY 2018-19 are 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	1
2	Shri G. Maruthi Rao (1)	Member	Independent, Non-Executive	1
3	Shri R. K. Khanna	Member	Independent, Non-Executive	1
4	Ms Priyamanjari Todi (2)	Member	Non-Independent – Non-Executive	-

(1) Ceased to be Member of the Committee w.e.f. 31st January, 2019.

(2) Inducted into the Committee w.e.f. 31st January, 2019.

GENERAL MEETINGS

(a) Location and time of last three Annual General Meetings:

Date	Venue	Time
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.
19.09.2018	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
29.08.2016	Nil
27.09.2017	Nil
19.09.2018	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 45 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 and or 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, 2019 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:

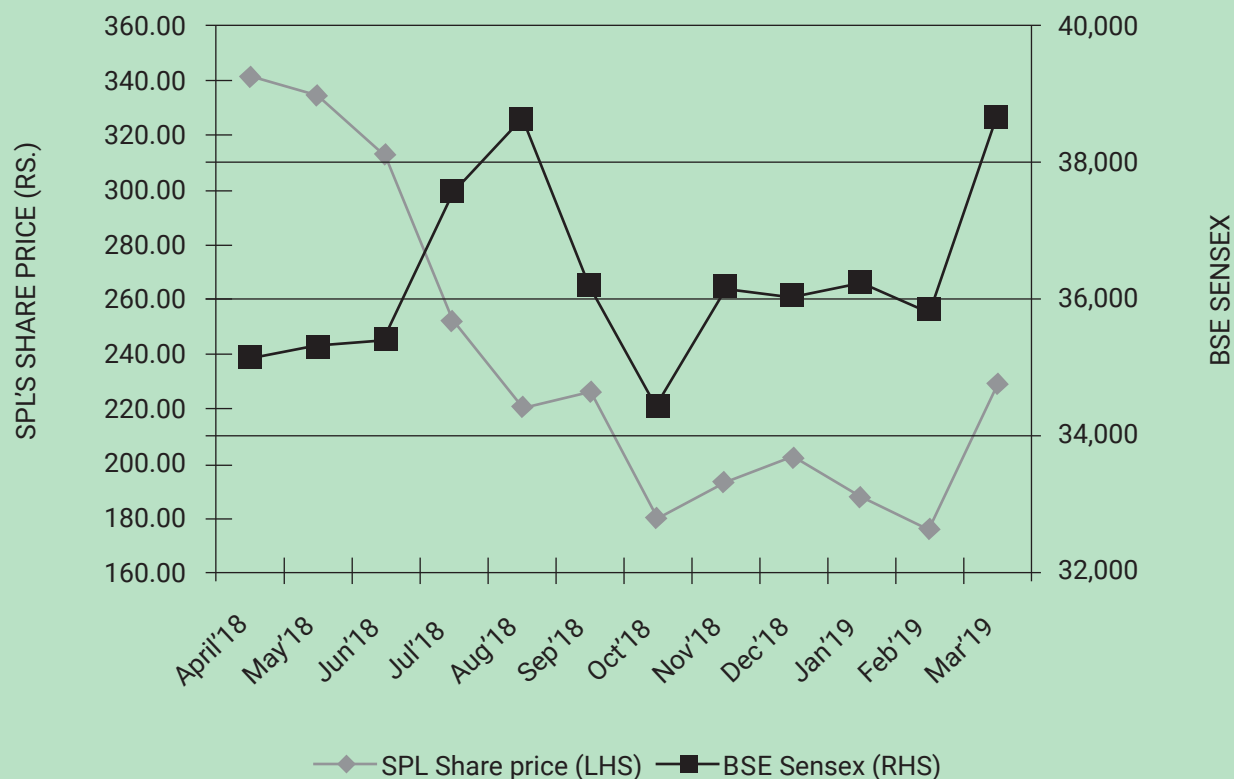
The following information would be useful to our shareholders:

Sl. No	Information	
1	Annual General Meeting: - Date and Time: - Venue:	6th September, 2019 12.00 Noon At Registered Office: Rachagunneri Village-517641, SrikalahasthiMandal, AP.
2	Financial Calendar Financial Reporting for the Quarter ended June 30, 2019: Financial Reporting for the Quarter ended September 30, 2019: Financial Reporting for the Quarter ended December 31, 2019: Financial Reporting for the Quarter ended March 31, 2020: Annual General Meeting for the year ending March 31, 2020.:	Tentative Schedule End July, 2019. End October, 2019. End January, 2020. End April, 2020. End August, 2020.
3	Book Closure Date (Both days inclusive):	31st August, 2019 to 6th September, 2019
4	Dividend payment date:	10th September, 2019
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			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Apr-18	389.75	341.95	392649	390.0	341.80	2704837
May-18	335.10	296.45	257145	333.60	295.05	1611180
Jun-18	313.85	247.90	150085	313.45	248.95	1091775
Jul-18	271.50	194.20	473137	272.10	193.85	4022904
Aug-18	232.50	215.75	215307	231.85	214.80	1938379
Sep-18	226.40	179.65	117339	226.20	179.70	1131249
Oct-18	193.10	166.45	247006	192.65	167.15	1776353
Nov-18	205.90	184.05	125639	206.15	184.65	1001566
Dec-18	202.70	185.50	66013	202.55	185.15	501834
Jan-19	189.10	174.55	66435	189.20	174.15	847927
Feb-19	181.80	162.95	795450	182.20	163.70	1821980
Mar-19	232.80	183.35	222650	232.10	183.55	1724467

SPL's Share Price in comparison to BSE Sensex



Registrar & Share Transfer Agents:

M/s. Karvy Fintech Private Limited (KFPL), 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 (Rs. Lakhs)
2013-14	15	697.82
2014-15	30	1435.74
2015-16	50	2392.90
2016-17	60	2874.33
2017-18	60	3393.26

Distribution of Shareholding as on March 31, 2019:

Sl No.	Category		Number of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
	From	To				
1	1	5000	28892	88.93	3071069	6.58
2	5001	10000	1666	5.13	1333007	2.85
3	10001	20000	920	2.83	1406684	3.01
4	20001	30000	323	0.99	842487	1.80
5	30001	40000	169	0.52	603362	1.29
6	40001	50000	107	0.33	505684	1.08
7	50001	100000	224	0.69	1687630	3.61
8	100001	And above	190	0.58	37248484	79.76
		Total	32491	100.00	46698407	100.00

Categories of Shareholding as on 31st March, 2019 :

Sl. No.	Category	No. of shares held	Percentage of shareholding
A.	PROMOTERS HOLDING		
1	Promoters		
	a) Indian Promoters		
	i) Electrosteel Castings Limited	19301218	41.33
	ii) Others (Promoter's Group Companies)	2957888	6.33
	b) Foreign Promoters	-	-
2	Persons Acting in Concert	-	-
	Sub-Total	22259106	47.67
B.	NON-PROMOTERS HOLDING		
3	Institutional Investors		
	a) Mutual Funds and UTI	6641658	14.22
	b) Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	310889	0.67
	c) FIIs/FPIs	443850	0.95
	Sub-Total	7396397	15.84
4	Others		
	a) Private Corporate Bodies	2985097	6.39
	b) Indian Public	12856222	27.53
	c) NRIs	562839	1.21
	d) Any other (Clearing Members, NBFCs, AIFs)	449941	0.96
	e) IEPF	188805	0.40
	Sub-Total	17042904	36.49
	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 99.06% of total equity share capital is held in dematerialized form with NSDL & CDSL as on 31st March, 2019.

Outstanding convertible Instruments:

As on 31.3.2019, there are no outstanding convertible instruments.

Registered Office & Works:

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

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, 2019.

For Srikalahasthi Pipes Limited

Place: Chennai
Date: 8th May, 2019

Mayank Kejriwal
Managing Director



Certificate on Compliance with the conditions of Corporate Governance under Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of
Sri Kalahasthi Pipes Limited

I have examined the compliance of conditions of corporate governance by Sri Kalahasthi Pipes Limited (The Company) for the financial year ended March 31, 2019, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1, 2018 to March 31, 2019.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.

Date: 6th May, 2019
Place: Hyderabad

S. CHIDAMBARAM
Company Secretary in Practice
C.P. No. 2286



MANAGEMENT DISCUSSION & ANALYSIS

Annexure II to Directors' Report

SPL - OVERVIEW :

Srikalahasthi Pipes Limited – SPL is one of the leading manufacturers of Ductile Iron Pipes (DI Pipes) having the manufacturing facility in Rachagunneri village on Tirupati – Srikalahasthi Road, Srikalahasthi Mandal, Chittoor Dist. Andhra Pradesh. The integrated facility comprises of Backward and Forward integration units in a centralized complex spread over 350 acres. The Company's D.I. pipes are supplied to various Water Boards, Municipal Corporations, Irrigation Departments, Railways and Turnkey Contractors across the country for their Water

Infrastructure Projects which are the thrust area of the Govt. of India. The Company also manufactures Low Ash Metallurgical Coke, Pig Iron and Cement and all these products are used for captive consumption and surplus is sold in the market. The Company operates predominantly in a single reportable segment viz., Ductile Iron Pipes

By virtue of core business of manufacture and supply of DI Pipes for the Water Infrastructure Projects across the country, the Company is categorized as **Public Utility Services Industry engaged in Water Infrastructure Development in the Country.**

Operational Performance:

Product	Production (MT)		Sales (MT)	
	2018-19	2017-18	2018-19	2017-18
Molten Metal/Pig Iron @	2,88,215	2,76,501	2,87,915	2,76,891
D.I. Pipes	2,98,514	2,75,047	2,90,873	2,75,484
Lam Coke #	1,79,586	1,66,003	1,68,105	1,77,355
Cement \$	77,394	93,699	76,496	93,634
Power (Lakh Units)^	953	946	953	946

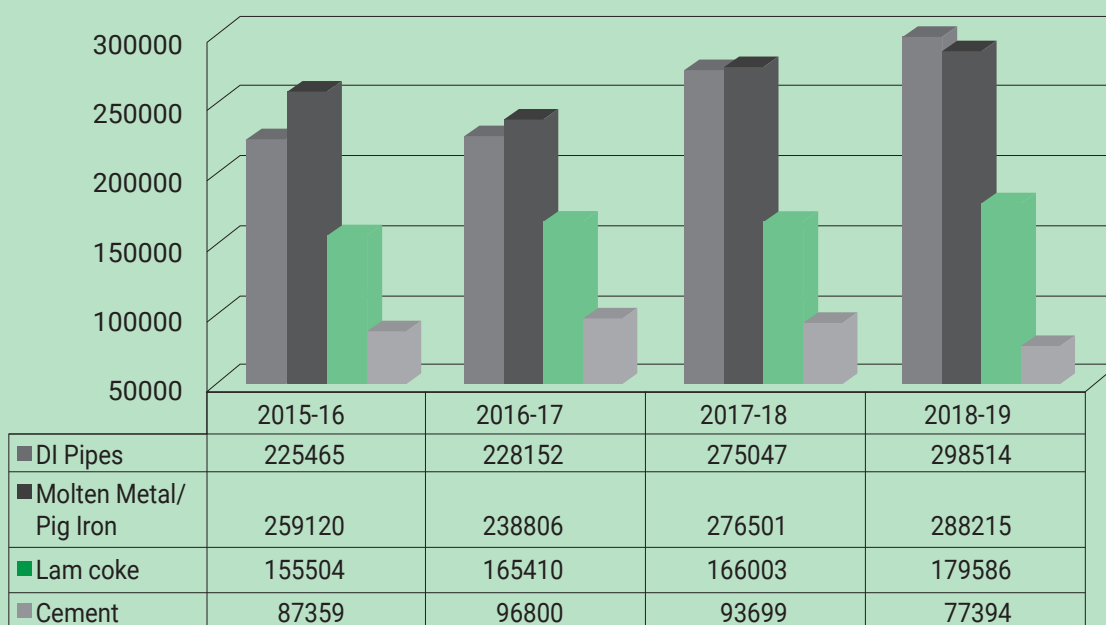
@ Sales include 2,86,616 MT (Previous year 2,73,575 MT) used for captive consumption.

Sales include 1,47,212 MT (Previous year 1,46,154 MT) used for captive consumption.

\$ Sales include 34,465 MT (Previous year 33,256 MT) used for captive consumption.

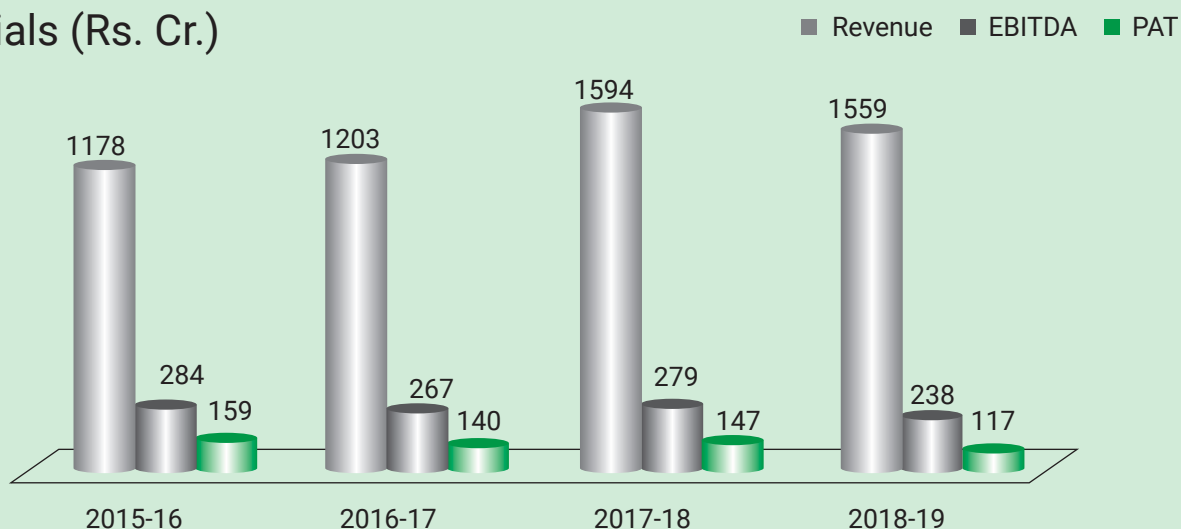
^ Captive Consumption.

Production Performance 2015-16 – 2018-2019



Financial Performance :

Financials (Rs. Cr.)



NET WORTH:

Rs. In Crores

	FY 2016-17	FY 2017-18	FY 2018-19
Share Capital	39.76	46.70	46.70
Other Equity	773.77	1132.09	1215.69
Net worth	813.53	1178.79	1262.39

Total Debts:

Rs. In Crores

Debt outstanding as at	31.03.2018	31.03.2019
Term Loans	38.41	163.93
Current Maturities of Long Term Debts	25.65	34.10
Working Capital Loans	297.22	152.08
Total Debts	361.28	350.11

INDUSTRY OUTLOOK:

Indian Economy:

Indian economy is likely to grow in the range of 6.5 to 7.0 per cent in the medium term and the outlook is very positive (Source: Moody's credit rating). The average consumer spending has increased significantly which has fuelled demand for quality infrastructure services like roads, electric power, transportation, water supply, sanitation, communication, etc. (Source: World Economic Forum and Bain & Company report on "Future of Consumption in fast growth Consumer Market")

Demand for water supply:

Water is a precious resource in India because the country accounts for 18% of the world population as against just 4% of global water resources (Source: World Population Review and India- WRIS wiki 2015). The water use efficiency is low in the country compared to international standards. As in the previous years, agriculture will continue to be the major demand segment for water in India. However, the demand from industries is expected to grow faster than the demand from agriculture and domestic sectors. It is understood that the use of water in Indian industries is high due to a combination of factors such as obsolete process technology, poor recycling and reuse practices, and poor wastewater treatment. Use of water in industries is closely linked to the economy of a country. The major water guzzling industries are pulp and paper units, thermal power plants, fertilizer units, iron and steel plants, sugar plants, and textile units.

According to a WHO-UNICEF Sponsored Study (India Assessment - Water Supply & Sanitation), the total water requirement by 2050 will be 1,422 billion cubic meter (Source: Planning Commission Report assessment year 2002). Tata Energy Research Institute (TERI) has estimated that the overall water demand will be 1,048 billion cubic meter in 2047 (Source: Green India 2025)

Urbanization in India :

It is estimated that population that will live in cities and towns constitute approximately 40% of the country's population. This rapid pace of urbanization will increase the demand for piped water supply. Thus, the increase in population accompanied by the fast pace of urbanization will together contribute for the growth in demand for pipes.

Thrust of government to provide drinking water & sanitation to 100% of the population. Government's focus to improve the urban infrastructure has been increasing significantly year after year. The year wise fund allocation growth rate in this five year plan is 21% which is higher

than the year wise growth rate of 15% during last five year plan (Source : Union Budget of India).

The AMRUT scheme is the main driver for urban infrastructure development. The depletion of fresh water sources is driving the need of desalination projects & these projects are expected to drive the growth of urban water infrastructure in the coming years. The desalination projects are being planned & implemented in certain coastal cities.

Demand Drivers for DI Pipes

The demand drivers for DI pipes in particular are:- Economic growth, Demand for water, Rapid Urbanization, Improvement in water supply and sanitation coverage, Awareness on safety and hygiene, Importance for lift and Micro Irrigation system through Piped Distribution network, Investment by the Central and State Governments in Water and Sanitation Schemes, Assistance from external agencies, Inter-linking of rivers and Export potential.

Investment in Water Projects and Role of Government Bodies :

The central government had given thrust to improve the urban infrastructure during the last 10 years and have been implementing various programs & schemes in the Water Supply and Sewage (WSS) sector. Apart from this, the state governments also funds & undertake various schemes. The funds for certain WSS projects are pooled from international banks & financial institutions (World Bank, JICA, ADB etc.,) Key WSS Programs in India Atal Mission for Rejuvenation and Urban Transformation – AMRUT, SMART CITIES & of course Irrigation Projects. The Ministry of Water Resources, Government of India assists the state governments in tying up external assistance from different funding agencies to fill up the resource gaps.

Source: AMRUT Website & Frost & Sullivan Primary Research & Analysis

Preference of DI Pipes:

The choice of pipe material is governed by various factors: pipe diameter, application, durability, reliability of joints, cost etc. Ductile Iron pipe scores high on technical parameters—70 to 90 years of life, leak proof joints & negligible maintenance and considered value for money. The users are now becoming increasingly aware of importance of considering Life Cycle Cost (LCC) rather than any initial capital cost. This development is further assisting choice of Ductile Iron Pipes over other pipe materials. Ductile Iron Pipe is the preferred choice of water system designers, for the "peace of mind " this "fit & forget" pipe provides the Operation & Maintenance (O&M) team.

Inter Linking of Rivers (ILR) Project :

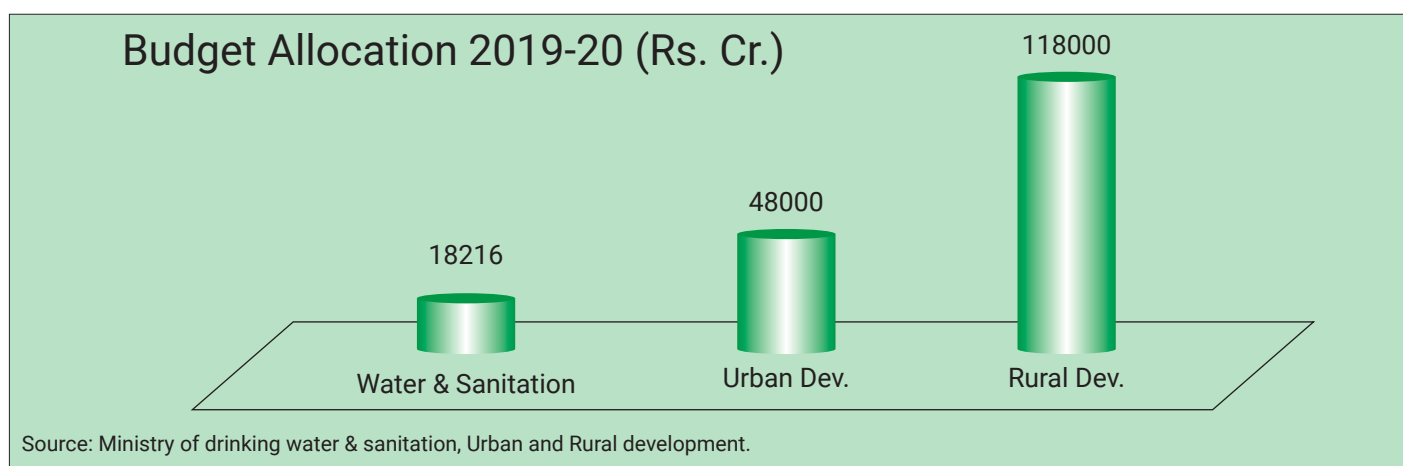
Inter Linking of Rivers (ILR) project is Government of India's proposal to link 37 rivers through 30 links, dozens of large dams and thousands of miles of canals, making it the largest water project in the world (Source: Ministry of Water Resources, River Development and Ganga Rejuvenation). Once this project is set in motion, there will be an unprecedented demand for not only DI pipes and fittings, but also services for design, implementation, project management, and maintenance.

Domestic Ductile Iron Pipes market is expanding owing to increase in water development infrastructure, increasing

awareness on water conservation and aim to become 100% open defecation free nation. Ductile Iron pipes market is likely to have strong linkages with investment in water infrastructure development and India is witnessing huge investment in water projects under various Central and State sponsored projects.

It is expected that demand of DI pipes will continue to dominate in India owing to huge investment in water infrastructure, improving sanitation facilities and increasing awareness on using good quality pipes. It is estimated to register a positive CAGR in the next 3 to 4 years on account of future investments in Swachh Bharat Mission and Housing for all by 2022.

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



Raw materials Management:

SPL strongly believes that effective and efficient functioning of the material management has direct bearing on the overall performance of the organization. The management of raw material in a manufacturing organization deserves high attention to achieve uninterrupted production and enhanced performance in operations. The procurement function of the Company focuses on integrated approach to material management functions by combining planning, procurement and inventory control to ensure improved level of availability of working capital that could be profitably deployed in other areas.

Further, effective and efficient vendor management and material substitution with impetus on indigenization has been the priority of the Company to remain competitive in the marketplace and to drive service excellence, mitigate risks, and manage costs. Cautious procurement of bulk raw materials like iron ore/ coal, ferro silicon and other essential raw materials and increased usage of mill scale have helped the Company to maintain its overall raw material cost under reasonable level.

Quality Management System (QMS):

The Company maintains high quality standards across all the manufacturing Divisions from raw material stage to the finishing stage and the entire life cycle of the product is managed and monitored by an expert Quality Control Team of respective Division. The Company believes in commitment to its customers and providing them efficient services and quality products. The Company has strong track record of On-Time Deliveries and high customer satisfaction ratio, which has helped us to enhance our image and reputation further in the market.

In order to accomplish this, the company strives to detect and prevent any non-conformance during production and implement the means to prevent its recurrence. We emphasize on upgrading technology and improving techniques, systems, procedures and to carry out continuous innovation to meet changing customer needs. We continuously focus on creating most congenial and healthy working environment for attainment of quality goals with excellence.

The Company continues to remain focused on enhancing its qualitative benchmark through implementation of

TQM system across the organisation. The Company is accredited with ISO 9001:2000 certification and the Ductile Iron Pipes manufactured by the Company are Kite Mark licensed as approved by BSI, UK.

Safety, Health & Environment (SHE) :

As a responsible corporate citizen, SPL is determined to the health and safety of its employees, associates and the society. Safety is considered as a core value all across Company and thus the Company's plants follow the environmental, health and safety management standards that integrate environment and safety responsibilities into everyday business

SPL is committed to carry out all its operations free from accidents and it strives for the implementation of best practices for ensuring the safety of its all stakeholders including employees and contractors. The Company firmly believes that providing safe working conditions to its workforce is not only the statutory requirement but also its moral responsibility. The Company believes and follows the guiding principles mentioned below for developing safety culture across its operations:

- All injuries and work related illness can and must be prevented
- Managers are held responsible and accountable for safety and health performance
- Employee engagement and training is essential
- Working safely is a condition of employment
- Excellence in safety and health drives excellent business results,
- Safety and health consciousness must be integrated into all business

In order to build a sustainable safe workplace environment, a common safety management system across the Company is by and large implemented. This includes implementation of safety standards, organisational safety competency and capability improvement, safety leadership development, a cross auditing activity to enhance sharing experiences and sharing best practices.

When it comes to the environment, the company has always been setting high standards through responsible environment management that makes life safer and easier for both its workers and the community as a whole. It is committed towards protecting the environment through its various policies and practices. It has institutionalised a fully-functional system to take ahead its 'green' agenda.

Some of the notable achievements are:

Construction of 32 m3 rain water harvesting pit near MBF Coal shed to collect rain water from coal shed roof and to recharge the rain water in the ground.

Concreting of Coal yard to the extent of 10390 Sq.mtr along with construction of 571 meter drain to control the coal ground loss, fugitive emission and collection of wash out coal without contamination.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

SPL is a socially responsible corporate entity, and is involved in CSR, with the simple objective of "Giving Back" to the society. The Company recognizes and embraces its commitment to the communities in which it operates and we believe the 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.

The Company has emphasized its CSR initiatives in specific areas of social development that includes village development, primary & secondary education, skill development, vocational training, environmental and ecological protection, health and hygiene and animal welfare. All the initiatives would continue to contribute to the overall welfare of the communities and make a difference in the quality of living of the underprivileged.

INFORMATION TECHNOLOGY (IT):

AT SPL, Information Technology is critical in integrating Company's diverse operations and enable to enhance the value proposition of the business. The Company has undertaken several initiatives to further strengthen and enhance IT access within its procedures, as it facilitates disciplined processes and faster decision making. The Company leverages ERP solutions for its business operations, which are based on the SAP platform that empowers smooth data collection, MIS, decisions making and data security. During the FY 2018-19, the Company implemented several IT initiatives to enhance efficiencies, automation and digitization of its processes.

- A new software was rolled out for effective operations of weighbridges.
- Introduced face recognition based attendance capturing systems for all levels of employees.
- Developed SAP ABAP programme for tracking the truck moment in different storage yards.
- Initiated actions for strengthening cyber security.

HUMAN RESOURCES MANAGEMENT:

We strongly believe that human capital is one of the key resources for the Company, which ensures business sustainability and continuous growth. The Company being cognizant of the importance of human resource (HR) constantly works towards building a safe, conducive and



productive environment for all its employees. Regular and periodic skill and personnel development training are provided to all employees. The Company's open door policy ensures a transparent and engaging work environment. The employees are encouraged to directly communicate with the management and express their views. Ensuring high productivity, employee satisfaction and persistent motivation are the key focus areas of the HR team. The management records its sincere appreciation of the efforts of its employees.

The Learning & Development (L&D) function of the Company plays a pivotal role in conducting/organizing management and supervisory development programs as well as put in place succession plan and long term career growth plans to enhance technical, behavioral & leadership ability of our employees. The Company regularly invests in upskilling our employees to meet the demands of the fast-changing technology landscape by conducting structured training programmes. Training hours went up multifold in the current year.

The reward and recognition mechanism continues to evolve at SPL to encourage innovation at work. The idea is to strengthen a culture of creativity and innovation through the use of various mechanisms to reward and recognize employees. The Performance Excellence Puraskar has been instrumental in encouraging employees to excel in their areas of function.

RISKS/CONCERN & ITS MITIGATION:

The Company's Risk Management Policy is formulated in such a way that the Company can respond swiftly to risks and implement the necessary mitigation measures. A prudent risk management framework has been developed such that a cautious approach is undertaken to identify and analyze internal and external risks and minimize its impact on operations.

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

Input price volatility Risk :

The Company is exposed to the risk of input price unpredictability, due to high volatility in the prices of raw materials. As the cost of raw materials constitute major share of overall variable cost of the product, it may pose a threat of thinner margins on account of lower profitability.

To mitigate this risk, the Company constantly strives to keep its production cost under control by enhancing productivity and operational efficiency. Major emphasis is given for implementation of various cost reduction measures on a sustainable basis to reduce the final required input. This apart, the Company has raw material

pass-through clauses in some of its contracts to protect itself from input price volatility.

Competitors Risk:

Increased competition in the domestic market may have an adverse impact over the order position and affect the profitability of the Company. To negate this risk, the Company is continuously focused on maintaining consistent quality of its product and optimization of available resources to remain competitive in the market, besides exploring possibilities for expanding its foot prints in export market.

Environmental Risk:

The Company's business involve processes and actions that are potentially hazardous if not executed with due care and attention. The Company's businesses are subject to numerous laws, regulations and contractual commitments relating to health, safety and environment. The failure to comply with these could result in the assessment of civil and/or criminal penalties, the suspension of permits or operations and lawsuits by third parties.

To mitigate this risk, continuous efforts are being taken to ensure workplace safety. To meet environmental standards, dust and other emission levels are monitored to ensure that they stay within permissible limits. The Company continues to invest to improve energy efficiency and to reduce CO2 emissions. In addition, the Company has appropriate policies in place for such matters that are supported by structured systems, controls and technology.

Receivables Risk :

As the Company's customers being turnkey contractors and Government Bodies, it is required to extend to its customers a line of credit, whereby there is always a risk associated on timely collection and recovery of payments from the customers.

To minimize this risk, the Company regularly evaluates the creditworthiness of its customers and accordingly sets up the credit limit and the payment terms in order to ensure that the credit and payment conditions allowed to its customers is consistent with their financial capabilities. Further, the Company has in place well established Credit Policy and the Marketing function in conjunction with Finance Team of the Company regularly assesses the circumstances that may merit overriding credit limits and situations that would justify placing accounts on hold. As a measure of securing the receivables, the Company covers larger portion of its supplies through bank guarantees and letter of credits.

Foreign currency Risk:

Considering overseas procurement of raw materials, machinery and exposure to External Commercial Borrowings, the Company is exposed to global foreign currency risk.

To mitigate this risk, the Company frequently reviews its foreign exchange exposure and adopts comprehensive risk management system and hedges its foreign exchange exposure by implementing strategy of selective and systematic hedging of instruments of forward contract and options.

Human resources Risk:

The Company, being labour concentrated, is open to the threat of exodus of skilled manpower.

The people-centric policies and initiatives of the Company facilitate in retaining knowledge capital. Its training calendar, performance management system, and people involvement and motivation initiatives help encourage and retain talented and critical manpower.

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 has a proper and adequate system of internal control commensurate with the size and nature of its business. The Company has adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the Company. An ERP system covering most of its operations is supported by a defined online authorization protocol. The internal audit team supervises all processes and recommends necessary changes to ensure any deviation is promptly corrected. Any variance from the budget is flagged off to the senior management which advises modification to ensure strict adherence to compliances. Periodic monitoring and effective implementation of recommendations ensure high business compliance with adequate adherence to rules and regulations that govern the Company. The controls also ascertain the reliability of financial controls and strict adherence to compliance as per applicable laws and regulations. The internal control system ascertains optimal utilisation of all resources and proper documentation of financial transactions. The Audit Committee of the Board regularly reviews audit plans, significant audit findings, adequacy of internal controls and compliance with accounting standards.

OPPORTUNITIES & THREATS:

The rapid pace of economic growth in the Country and increasing urbanization and development of smart cities across the country will commit larger investments in water and sanitation infrastructure development schemes thereby leading to healthy demand for Ductile Iron Pipes in the country, which will give an opportunity to increase the market share of the Company, as it has already established its foot prints across the country. Considering the success of Water Grid Projects in some of the states - providing total water solution to all the districts, more & more states are adopting the same Water Grid concept. This will generate substantial demand of Ductile Iron Pipes in the near future.

Intense competition in the domestic market coupled with delays in announcement, implementation or funding of Government sponsored water infrastructure projects due to changes in policies, insufficiency of funds and continued volatility in the prices of major and essential input materials may adversely impact the volumes and profitability of the Company.

OUTLOOK:

With the consistent economic growth in the Country coupled with demand for water, Rapid Urbanization, Improvement in water supply and sanitation coverage, Awareness on safety and hygiene, Investment by the Central and State Governments in Water and Sanitation schemes will boost the Ductile Iron Pipes market in the Country. All these factors enable the Company to maintain its comfortable order book position in the coming years and the Company is positive on sustaining its growth trend. Further, the continued focus on operational front like implementation of cost reduction measures and productivity improvement, the Company is hopeful of improved working.

CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in Government Regulations, Tax Laws, Economic Developments within the country and other factors such as exchange rate fluctuations, interest and other costs.

FORMAT FOR THE ANNUAL 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.Rathi, Non-Independent Executive Director - Chairman, 2) Mr.R.K.Khanna, Non-executive Independent Director & 3) Ms. Priya Manjari Todi, Non-Executive Non-independent Director.

3. Average Net Profit after Tax of the company for last 3 financial years : Rs.19,370.45 Lakhs

4. Prescribed CSR expenditure (2% of the amount as in 3 above) : Rs.387.41 Lakhs

(Contd.)

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

- Total amount to be spent for the FY : Rs.387.41 Lakhs
- Amount un-spent, if any : Rs.18.32 Lakhs
- 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 projects of program (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.	Medical and Health care	Local Area - Chittoor Dist- Andhra Pradesh	124,839.00	124,839.00	124,839.00	Direct
2	School/College Building Development, Infrastructure facilities, Educational assistance, etc.	Promoting Education	"Local Area - Chittoor Dist- Andhra Pradesh Chennai - Tamil Nadu"	29,029,650.00	29,029,650.00	29,029,650.00	Direct
3	Local Village development - Skill development - Women empowerment.	Rural Development Project - Skill development - Promoting gender equality	Local Area - Chittoor Dist- Andhra Pradesh	3,898,705.00	3,898,705.00	3,898,705.00	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	492,000.00	492,000.00	492,000.00	Direct
5	Animal shelters and rehabilitation center.	Animal Welfare/Rural Development Project	Local Area - Chittoor Dist- Andhra Pradesh	3,363,701.00	3,363,701.00	3,363,701.00	Direct
				36,908,895.00	36,908,895.00	36,908,895.00	

6. Reasons for not spending the prescribed amount of CSR are given in the Directors' Report.

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

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

- 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.R.K.Khanna	4.94
Mr. G.Maruthi Rao	2.16
Mr. Mayank Kejriwal	322.21
Mr. G.S.Rathi	84.08
Mr. V. Poyyamozhi	56.86
Mr.S.Y.Rajagopalan	2.59
Ms.S.Hemamalini	3.00
Mr. T. Venkatesan	2.63
Ms. Priya Manjari Todi	27.61
Mr. Ashutosh Agarwal	3.36

- 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. R.K. Khanna	Non Executive- Independent Director	2.11
Mr. G. Maruthi Rao (a)	Non Executive- Independent Director	-56.38
Mr. Mayank Kejriwal	Managing Director	-9.20
Mr. G.S. Rathi	Whole-time Director	3.57
Mr. V. Poyyamozhi (b)	Whole-time Director	77.94
Mr. S.Y. Rajagopalan (c)	Non Executive - Independent Director	-49.40
Mrs. S. Hemamalini	Non Executive- Independent Director	-26.13
Mr. T. Venkatesan (d)	Non Executive- Independent Director	---
Mrs. Priya Manjari Todi (e)	Non-executive - Non-Independent Director	949.69
Mr. Ashutosh Agarwal (f)	Non-executive - Non-Independent Director	---
Mr. N. Sivalai Senthilnathan	Chief Financial Officer	6.25
Mr. G. Kodanda Pani (g)	Company Secretary	98.06

Notes :

- Ceased to be director due to resignation. Hence percentage of increase/decrease is not comparable.
- Percentage of increase is not comparable, as he was employed for the part of the year during FY 2017-18.
- Ceased to be director due to resignation. Hence percentage of increase/decrease is not comparable.
- Appointed as director during the FY 2018-19. Hence percentage of increase is not given.
- Percentage of increase is not comparable as she was director for the part of year during FY 2017-18.
- Appointed as directors during the FY 2018-19. 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 2017-18.

- The percentage increase in the median remuneration of employees in the financial year 2018-19 was 8.41%.

- Number of permanent employees on the rolls of company are 1357 as on 31st March, 2019.

5. Relation between average increase in remuneration and Company's performance:

The Company's profit before tax for the financial year 2018-19 was Rs.160.05 Crs as against Rs.200.93 Crs for FY 2017-18. The increase in the median remuneration in the FY 2018-19 is 8.41%. 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 2018-19 decreased by 0.43%, which included the profit linked commission to Managing Director and Whole-time Director. The profit before tax in the FY 2018-19 decreased by about 20.35% and the remuneration of the Key Managerial Personnel as a percentage of profit before tax is 7.6%.

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. 2018-19 was around 8.41% and the percentage increase in the managerial remuneration for the said Financial Year was 4.10%. The increase in the median remuneration of other than managerial personnel was due to performance based annual increments of the employees and prevailing market trend. 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 2017 – 18	FY 2018 – 19
Market Capitalization #	Rs.1501.80 Crs	Rs.1069.63
EPS	35.53	25.17
Price Earnings Ratio	9.05	9.18

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 - Nil

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 continued its efforts to improve energy usage efficiencies. Various key parameters like specific energy consumption, energy cost are continuously tracked to monitor alignment with the Company's overall sustainability approach. The Company has a process to identify and evaluate energy risks and opportunities, taking into account techno-commercial feasibility and other aspects. Accordingly, phased implementation of energy conservation initiatives are carried out and innovative ways and new technologies are constantly explored for energy conservation and cost reduction. Some of the energy conservation initiatives taken during the FY 2018-19 and proposed to be taken are given below.

a) Steps taken for energy conservation

1. Installed additional coke oven battery (21 ovens) for 100 TPD with 16.3TPH boiler to increase the steam generation from waste heat.
2. Revamping of COP battery – 3 (one block) completed to optimise the efficiency.
3. Total 10300 m2 coal yard flooring completed in COP to arrest ground losses of coal.
4. Modification carried out in soaking zone by adding 4 numbers of BFG burners to reduce the HSD/LDO consumption from 350 litres/hour to 50 litres/hour in annealing furnace -1.
5. New quenching tower commissioned to reduce the coke burning loss in COP.
6. Introduced auto zinc gun movement and improved zinc recovery at finishing lines in FL-2.
7. Variable frequency drives (VFD's) provided for spinning machine No. 3 and 5 for hoppers in DIP to regulate power consumption in line with power load.
8. In DIP, installed 40 numbers of digital energy meters for identification and monitoring of energy conservation.
9. In sinter plant and cement plant, interlocking system provided between various equipment to avoid the idle running and to save the energy.
10. In cement plant, Kiln-2 root blower motor capacity reduced from 55KW to 37KW.
11. Installed power capacitors and LED lights to improve power factor and energy efficiency.

b) Additional investments & proposals, if any being implemented for reduction of consumption of energy:

1. Installation of new Annealing furnace – 3 for effective utilization of Blast Furnace gas.
2. Installation of additional turbine for effective utilization of steam generation from Boiler No.4.
3. Expansion of sewage treatment plant for further water conservation.
4. Installation of variable frequency drives (VFD's) for various applications like spinning machine-3 mould drive, Magnesium dedusting blowers, Zinc coating, dedusting blowers and cranes in DIP to facilitate further power reduction.
5. Introduction of automation system for induction furnace & other areas to reduce power consumption in DIP.
6. To Carry out Energy audit in DIP to facilitate further scope for implementation of energy conservation initiatives and to improve efficiency.
7. Revamping of COP battery No.2 to optimise the efficiency.
8. To carry out concreting of additional coal yard in COP to arrest further ground losses of coal/Coke.

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

Above initiatives resulted in reduction of specific overall power consumption per ton of Ductile Iron Pipes by 7% compared to 2017-18 and overall oil consumption has come down by 20% compared 2017-18.

Annexure – VI to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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, 2019 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, 2019 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 me 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 2019.

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

Annexure – VI to Directors' Report

- (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: 06-05-2019

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

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

My Secretarial Audit Report of even date is to be read along with this letter.

- 1 The maintenance of Secretarial records is the responsibility of the Management of the Company. Further, the Company is also responsible for devising proper systems and process to ensure the compliance of the various statutory requirements and Governance systems.
- 2 It is the responsibility of the Management of the Company to ensure that the systems and process devised for operating effectively and efficiently.
- 3 My responsibility is to express an opinion on these secretarial records based on my audit.
- 4 I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices followed provide a reasonable basis for my opinion.
- 5 Wherever required, I have obtained the Management representations about the compliance of laws, rules and regulations and happening of events etc.
- 6 The Compliance of the provisions of other applicable laws, rules and regulations is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- 7 The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: 06-05-2019

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

Annexure – VII to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019

[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 Fintech Private Limited (KFPL),
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	86%

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	---	---	---	---	---

Annexure – VII to Directors' Report

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

i) Category wise shareholding

Sl.No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A) PROMOTER AND PROMOTER GROUP										
(1) INDIAN										
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	20193178	0	20193178	43.24	22259106	0	22259106	47.67	4.42
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	20193178	0	20193178	43.24	22259106	0	22259106	47.67	4.42
(2) FOREIGN										
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	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	43.24	22259106	0	22259106	47.67	4.42
(B) PUBLIC SHAREHOLDING										
(1) INSTITUTIONS										
(a)	Mutual Funds / UTI	6730509	0	6730509	14.41	6910976	0	6910976	14.80	0.39
(b)	Financial Institutions / Banks	51885	9975	61860	0.13	57164	9975	67139	0.14	0.01
(c)	Central Government / State Government(s)	243750	0	243750	0.52	243750	0	243750	0.52	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

Annexure – VII to Directors' Report

Sl.No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2018				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2019				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(f)	Foreign Institutional Investors	2399572	0	2399572	5.14	443850	0	443850	0.95	-4.19
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	9425716	9975	9435691	20.21	7655740	9975	7665715	16.42	-3.79
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	3188175	205775	3393950	7.27	2811382	204875	3016257	6.46	-0.81
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	7762906	167020	7929926	16.98	8055822	147251	8203073	17.57	0.58
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	4893265	0	4893265	10.48	4653149	0	4653149	9.96	-0.51
(c) Others										
	CLEARING MEMBERS	70744	0	70744	0.15	143413	0	143413	0.31	0.16
	IEPF	172838	0	172838	0.37	188805	0	188805	0.40	0.03
	NON RESIDENT INDIANS	418434	86252	504686	1.08	352427	76850	429277	0.92	-0.16
	NRI NON-REPATRIATION	98329	0	98329	0.21	133562	0	133562	0.29	0.08
	TRUSTS	5800	0	5800	0.01	6050	0	6050	0.01	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	16610491	459047	17069538	36.55	16344610	428976	16773586	35.92	-0.63
	Total B=B(1)+B(2) :	26036207	469022	26505229	56.76	24000350	438951	24439301	52.33	-4.42
	Total (A+B) :	46229385	469022	46698407	100.00	46259456	438951	46698407	100.00	0.00
(C) Shares held by custodians, against which Depository Receipts have been issued										
(1)	Promoter and Promoter Group	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(2)	Public	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GRAND TOTAL (A+B+C)	46229385	469022	46698407	100.00	46259456	438951	46698407	100.00	

Annexure – VII to Directors' Report

ii. Shareholding of promoters & Promoter Group

Sl. No.	Shareholders name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		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	41.33	-	19301218	41.33	36.29	0.00
2	Murari Investment & Trading Co. Ltd	425015	0.91	-	1008485	2.16	-	1.25
3	Uttam Commercial Company Ltd	224069	0.48	-	432916	0.93	-	0.45
4	G.K.Investments Ltd	164254	0.35	-	909358	1.95	-	1.60
5	G.K.& Sons Private Ltd.	78622	0.17	-	607129	1.30	-	1.13

iii. Change in promoters' Shareholding:

Shareholding at the beginning of the Year 01.04.2018			Date wise increase/ Decrease in shareholding			Cumulative Shareholding during the Year	
Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
ELECTROSTEEL CASTINGS LIMITED	19301218	41.33	01/04/2018			19301218	41.33
			22/03/2019	7004903	Transfer	26306121	56.33
			22/03/2019	-7004903	Pledge	19301218	41.33
			30/03/2019			19301218	41.33
MURARI INVESTMENT & TRADING COMPANY LTD.	425015	0.91	01/04/2018			425015	0.91
			10/08/2018	35000	Purchase	460015	0.99
			17/08/2018	14100	Purchase	474115	1.02
			24/08/2018	19500	Purchase	493615	1.06
			31/08/2018	20000	Purchase	513615	1.10
			07/09/2018	300	Purchase	513915	1.10
			12/10/2018	10000	Purchase	523915	1.12
			16/11/2018	5000	Purchase	528915	1.13
			22/02/2019	421244	Purchase	950159	2.03
			29/03/2019	58326	Purchase	1008485	2.16
UTTAM COMMERCIAL COMPANY LTD.	224069	0.48	01/04/2018			224069	0.48
			12/10/2018	10000	Purchase	234069	0.50
			08/02/2019	107000	Purchase	341069	0.73
			22/02/2019	64347	Purchase	405416	0.87
			01/03/2019	2500	Purchase	407916	0.87
			15/03/2019	25000	Purchase	432916	0.93
			30/03/2019			432916	0.93
G.K.INVESTMENTS LTD.	164254	0.35	01/04/2018			164254	0.35
			10/08/2018	35000	Purchase	199254	0.43
			17/08/2018	14100	Purchase	213354	0.46

Annexure – VII to Directors' Report

			24/08/2018	19500	Purchase	232854	0.50
			31/08/2018	20000	Purchase	252854	0.54
			07/09/2018	300	Purchase	253154	0.54
			28/09/2018	10000	Purchase	263154	0.56
			07/12/2018	8707	Purchase	271861	0.58
			22/02/2019	539000	Purchase	810861	1.74
			08/03/2019	10863	Purchase	821724	1.76
			15/03/2019	55000	Purchase	876724	1.88
			22/03/2019	32634	Purchase	909358	1.95
			30/03/2019			909358	1.95
G. K. & SONS PRIVATE LTD	78622	0.17	01/04/2018			78622	0.17
			16/11/2018	28987	Purchase	107609	0.23
			23/11/2018	3754	Purchase	111363	0.24
			30/11/2018	76160	Purchase	187523	0.40
			07/12/2018	25304	Purchase	212827	0.46
			15/02/2019	147392	Purchase	360219	0.77
			22/02/2019	246910	Purchase	607129	1.30
			30/03/2019			607129	1.30

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

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date wise increase/decrease in shareholding during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company	Date	Increase/Decrease	Reason	No of Shares	% of total shares of the company
1	DSP BLACKROCK EQUITY & BOND FUND	3328710	7.13	01/04/2018			3328710	7.13
				28/09/2018	1114	Transfer	3329824	7.13
				05/10/2018	119570	Transfer	3449394	7.39
				12/10/2018	133446	Transfer	3582840	7.67
				30/03/2019			3582840	7.67
2	RELIANCE CAPITAL TRUSTEE CO. LTD- A/C RELIANCE SMALL	1941748	4.16	01/04/2018			1941748	4.16
				27/07/2018	-31700	Transfer	1910048	4.09
				03/08/2018	-7200	Transfer	1902848	4.07
				30/03/2019			1902848	4.07
3	HSBC INFRASTRUCTURE EQUITY FUND	1216451	2.60	01/04/2018			1216451	2.60
				22/06/2018	-10265	Transfer	1206186	2.58
				01/02/2019	-10000	Transfer	1196186	2.56
				22/03/2019	-10216	Transfer	1185970	2.54
				29/03/2019	-30000	Transfer	1155970	2.48
				30/03/2019			1155970	2.48
4	GMO EMERGING DOMESTIC OPPORTUNITIES FUND, A SERIES (\$)	1139949	2.44	01/04/2018			1139949	2.44
				29/06/2018	-4845	Transfer	1135104	2.43
				20/07/2018	-94825	Transfer	1040279	2.23
				15/02/2019	-1040279	Transfer	0	0.00
				30/03/2019			0	0.00
5	ANIL KUMAR GOEL	962000	2.06	01/04/2018			962000	2.06

Annexure – VII to Directors' Report

				25/05/2018	3000	Transfer	965000	2.07
				08/06/2018	1000	Transfer	966000	2.07
				22/06/2018	1000	Transfer	967000	2.07
				29/06/2018	1000	Transfer	968000	2.07
				20/07/2018	3000	Transfer	971000	2.08
				27/07/2018	2000	Transfer	973000	2.08
				07/09/2018	16215	Transfer	989215	2.12
				14/09/2018	785	Transfer	990000	2.12
				21/09/2018	1000	Transfer	991000	2.12
				28/09/2018	1000	Transfer	992000	2.12
				30/03/2019			992000	2.12
6	DOLLY KHANNA	693546	1.49	01/04/2018			693546	1.49
				13/04/2018	4000	Transfer	697546	1.49
				20/04/2018	-2000	Transfer	695546	1.49
				27/04/2018	5000	Transfer	700546	1.50
				04/05/2018	-44000	Transfer	656546	1.41
				11/05/2018	-4000	Transfer	652546	1.40
				18/05/2018	-4000	Transfer	648546	1.39
				25/05/2018	-9000	Transfer	639546	1.37
				08/06/2018	-3700	Transfer	635846	1.36
				15/06/2018	-1000	Transfer	634846	1.36
				22/06/2018	-6000	Transfer	628846	1.35
				13/07/2018	-3000	Transfer	625846	1.34
				20/07/2018	-20000	Transfer	605846	1.30
				27/07/2018	1000	Transfer	606846	1.30
				03/08/2018	-28450	Transfer	578396	1.24
				10/08/2018	-8000	Transfer	570396	1.22
				24/08/2018	-3000	Transfer	567396	1.22
				31/08/2018	-4000	Transfer	563396	1.21
				07/09/2018	-2000	Transfer	561396	1.20
				14/09/2018	-34360	Transfer	527036	1.13
				28/09/2018	-18000	Transfer	509036	1.09
				05/10/2018	-10000	Transfer	499036	1.07
				12/10/2018	-1000	Transfer	498036	1.07
				19/10/2018	-2000	Transfer	496036	1.06
				26/10/2018	-21000	Transfer	475036	1.02
				02/11/2018	1000	Transfer	476036	1.02
				09/11/2018	-10000	Transfer	466036	1.00
				30/11/2018	-5000	Transfer	461036	0.99
				07/12/2018	-11000	Transfer	450036	0.96
				14/12/2018	-3000	Transfer	447036	0.96
				21/12/2018	-8000	Transfer	439036	0.94
				28/12/2018	-3000	Transfer	436036	0.93
				31/12/2018	-4000	Transfer	432036	0.93
				04/01/2019	-7500	Transfer	424536	0.91
				11/01/2019	-8000	Transfer	416536	0.89
				18/01/2019	-2000	Transfer	414536	0.89

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				25/01/2019	-5000	Transfer	409536	0.88
				01/02/2019	-6000	Transfer	403536	0.86
				08/02/2019	-39000	Transfer	364536	0.78
				15/02/2019	-4000	Transfer	360536	0.77
				22/02/2019	-5000	Transfer	355536	0.76
				08/03/2019	-2000	Transfer	353536	0.76
				22/03/2019	4000	Transfer	357536	0.77
				29/03/2019	-11000	Transfer	346536	0.74
				30/03/2019			346536	0.74
7	ROHAK MERCHANTS PRIVATE LIMITED (\$)	482000	1.03	01/04/2018			482000	1.03
				25/05/2018	175000	Transfer	657000	1.41
				25/05/2018	-175000	Transfer	482000	1.03
				27/07/2018	-147000	Transfer	335000	0.72
				03/08/2018	-213789	Transfer	121211	0.26
				10/08/2018	-121211	Transfer	0	0.00
				30/03/2019			0	0.00
8	NIMMAGADDA UPENDRANATH	447946	0.96	01/04/2018			447946	0.96
				30/03/2019			447946	0.96
9	FORESIGHT REALTORS PRIVATE LIMITED	183800	0.39	01/04/2018			183800	0.39
				03/08/2018	207500	Transfer	391300	0.84
				14/09/2018	17500	Transfer	408800	0.88
				30/03/2019			408800	0.88
10	GMO EMERGING MARKETS FUND, A SERIES OF GMO TRUST (\$)	253494	0.54	01/04/2018			253494	0.54
				21/12/2018	-25824	Transfer	227670	0.49
				28/12/2018	-12043	Transfer	215627	0.46
				31/12/2018	-2041	Transfer	213586	0.46
				04/01/2019	-12005	Transfer	201581	0.43
				11/01/2019	-18022	Transfer	183559	0.39
				18/01/2019	-183559	Transfer	0	0.00
				30/03/2019			0	0.00
11	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION	243750	0.52	01/04/2018			243750	0.52
				30/03/2019			243750	0.52
12	PERFECT FINVEST PRIVATE LIMITED	112000	0.24	01/04/2018			112000	0.24
				03/08/2018	15000	Transfer	127000	0.27
				10/08/2018	87000	Transfer	214000	0.46
				14/09/2018	5000	Transfer	219000	0.47
				15/02/2019	2000	Transfer	221000	0.47
				22/02/2019	18000	Transfer	239000	0.51
				30/03/2019			239000	0.51
13	UNIFI AIF 2	197000	0.42	01/04/2018			197000	0.42
				30/03/2019			197000	0.42

The Company is listed and 99.06% of shareholding is in dematerialized form. The net positions (Increase/decreased) provided above is based on the weekend positions as received from the Depositories.

(§) Ceased to be in the list of top 10 shareholders as on 31.03.2019. The details are provided above as the shareholder was one of the top 10 shareholders as on 01.04.2018.

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v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director/KMP	Opening Bal. as at 01.4.18	Change in Shareholding during the year			Cumulative	Closing Bal. as at 31.03.19
		No. Shares & (%)	Date of dealing	Reasons for change	No. Shares & (%)	No. Shares & (%)	No. Shares & (%)
1	R.K.Khanna	-	-	-	-	-	-
2	G.Maruthi Rao (i)	-	-	-	-	-	-
3	Mayank Kejriwal	-	-	-	-	-	-
4	Gouri Shankar Rathi	16000 (0.040)	19.09.2018 08.10.2018	Market sale	16000 (0.040)	-	-
5	V. Poyyamozi	-	-	-	-	-	-
6	S.Y.Rajagopalan (i)	-	-	-	-	-	-
7	S.Hemamalini	-	-	-	-	-	-
8	T. Venkatesan	-	-	-	-	-	-
9	Priya Manjari Todi	-	-	-	-	-	-
10	Ashutosh Agarwal	-	-	-	-	-	-
11	Solomon Arokia Raj	-	-	-	-	-	-
12	N. Sivalai Senthilnathan	-	-	-	-	-	-
13	G. Kodandapani	228	23.08.2018 25-09-2018 15-10-2018 25-10-2018	Market purchase	1000 (0.0021)	1228 (0.0026)	1228 (0.0026)

(i) Ceased to be Director with effect from 31st January, 2019.

V. INDEBTEDNESS :

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

Rs. Lacs

At the beginning of the FY	Secured loans excl. deposits	Un-secured loans	Deposits	Total
Principal amount	36128.66	8064.85	---	44193.51
Interest due but not paid	---	---	---	---
Interest accrued but not due	328.29	---	---	328.29
Total	36456.95	8064.85	---	44521.80
Changes during the FY :				
Addition	17450.16	---	---	17450.16
Deletion	18549.80	4553.09	---	23102.89
Net Change	-1099.64	-4553.09	---	-5652.73
At the end of the FY				
Principal amount	35011.95	3511.76	---	38523.71
Interest due bunt not paid	---	---	---	---
Interest accrued but not due	345.36	---	---	345.36
Total	35357.31	3511.76	---	38869.07

Annexure – VII to Directors' Report

VI. Remuneration of Directors and Key Managerial Personnel :

A) Remuneration to Managing Director, Whole-time Directors

Amount in Rs.

Sl. No.	Particulars of remuneration	Name of MD/WTD/Manager			
		Mayank Kejriwal, MD	G.S. Rathi, WTD	V.Poyyamozi WTD	Total
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	---	1,61,57,496	1,10,10,773	2,71,68,269
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961.	---	1,62,048	8,40,258	10,02,306
	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)	7,90,00,000	30,00,000	15,00,000	8,35,00,000
5	Others (Gratuity & PF)	---	8,04,359	5,90,894	13,95,253
	Total (A)	7,90,00,000	2,01,23,903	1,39,41,925	11,30,65,828
	Ceiling as per the Act	15,44,41,182 (Being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B) Remuneration to other Directors :

Amount in Rs.

Sl. No.	Particulars of remuneration						Total Amount
1	Independent Directors	R.K. Khanna	G.Maruthi Rao	S.Hemamalini	S.Y.Rajagopalan	T.Venkatesan	
	Fee for Attending Board & Committee Meetings	6,10,000	5,30,000	1,35,000	6,35,000	45,000	19,55,000
	Commission	6,00,000	---	6,00,000	---	6,00,000	18,00,000
	Other - Specify	---	---	---	---	---	---
	Total (1)	12,10,000	5,30,000	7,35,000	6,35,000	6,45,000	37,55,000
2	Other Non-Executive Directors	Priya Manjari Todi	Ashutosh Agarwal	---	---	---	---
	Fee for Attending Board & Committee Meetings	2,70,000	2,25,000	---	---	---	---
	Commission	65,00,000	6,00,000	---	---	---	---
	Other - Specify	---	---	---	---	---	---
	Total (2)	67,70,000	8,25,000	---	---	---	75,95,000
	Total (B) = (1+2)						1,13,50,000
	Total Managerial Remuneration (A+B)						12,44,15,828
	Overall Ceiling as per the Act.	16,83,54,802 (Being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

Annexure – VII to Directors' Report

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

Amount in Rs.

Sl. No.	Particulars of remuneration	Key Managerial personnel		Total
		G. Kodanda Pani Company Secretary	N. Sivalai Senthilnathan Chief Financial Officer	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	22,82,012	60,18,388	83,00,400
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961	---	35,730	35,730
	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)	1,21,193	3,52,663	4,73,856
	Total	24,03,205	64,06,781	88,09,986

VII. PENALTIES/PUNISHMENT/COMPUNDING 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

To the Members of Srikalahasthi Pipes Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Srikalahasthi Pipes Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report.

Key Audit Matter	Addressing the key audit matter
Inventory determination and Valuation	
<p>The total inventory of the Company amounting to Rs. 35,267.97 lakhs (as on March 31, 2019) forms about 16.14% of the total assets of the Company.</p> <p>This includes bulk materials such as coal, coke, iron ore etc, which are susceptible to handling loss, moisture loss/gain, spillage etc. and determination of the same requires estimation based on experience and technical expertise.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of Inventory valuation include the following:</p> <ul style="list-style-type: none"> • The Company deployed an Independent agency for verification of Bulk Materials during which we were present to oversee the process of the verification. • We reviewed the report submitted by external agency and obtained reasons/explanation for variations observed by then with respect to book stock. • The materiality for variations after considering the reasonable allowance for volumetric measurement were duly considered. • We examined the whole valuation process/ methodology and checks being performed at multiple levels to ensure that the valuation is consistent as per the policy followed in this respect.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis Report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Management and those charged with governance for the Standalone 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 Standalone financial statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) Regarding adequacy of the internal financial controls with reference to financial statements 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 control with reference to financial statements.
3. 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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 38 to the Standalone financial statements;
 - 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. 37 to the Standalone financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us, the remuneration (including sitting fees) paid by the Company to its Directors during the current year is in accordance with the provisions of section 197 of the Act and is not in excess of the limit laid down therein.

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

Place: Chennai
Date: May 08, 2019

R. P. Singh
Partner
Membership No: 52438

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.
- b. 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.
- c. 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) As informed, the inventories of the Company except for materials in transit and those lying in depot 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.
- 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. The discrepancies noted on such verification have been properly dealt with in the books of the account.
- 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 not granted any loans, made investments or provided any guarantees/securities to parties covered under Section 185 and 186 of the Act. Accordingly, clause 3 (iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2019 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, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it.
- b. 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, 2019, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act' 1944	Service Tax	400.50	2006-2007 To 2015-2016	Commissioner (Appeals)
The Central Excise Act' 1944	Excise Duty	3.76 8.25	2015-2016 2007-2008	Commissioner (Appeals)
Central Sales Tax	Sales Tax	151.60	2000-2001 2010-2011	High Court
		2.75	2012-2013	Appellate Deputy Commissioner
		399.23	2003-2004 2004-2005	

2005-2006	Sales Tax Appellate Tribunal			
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	440.98	2013-2014 2014-2015	Appellate Deputy Commissioner
		393.91	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	-	2012-2013 2014-2015	Appellate Deputy Commissioner
		189.81	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 during the year pending utilization for the intended use has been kept invested in Fixed Deposits as stated in Note no. 12.2 of the Standalone financial statements.
- 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 Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- 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: May 08, 2019

R. P. Singh
Partner
Membership No: 52438

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Sri Kalahasti Pipes Limited ("the Company") as at March 31, 2019 in conjunction with our audit of the Standalone 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the



INSPIRING GROWTH

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 with reference to financial statements and such

internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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: May 08, 2019

R. P. Singh
Partner
Membership No: 52438

Balance Sheet as at 31st March, 2019

Rs. in Lakhs

Particulars	Note No.	31st March 2019	31st March 2018
ASSETS			
1 Non-Current Assets			
a. Property, Plant and Equipment	5	85,787.00	83,574.45
b. Capital Work-In-Progress		2,407.09	2,976.39
c. Other Intangible Assets	5.1	64.72	74.99
d. Financial Assets			
(i) Loans	6	763.66	648.17
(ii) Other Financial Assets	7	99.97	86.73
e. Other Non Current Assets	8	475.44	221.36
Total Non-Current Assets		89,597.88	87,582.09
2 Current Assets			
a. Inventories	9	35,267.97	20,912.29
b. Financial Assets			
(i) Investments	10	-	21,346.28
(ii) Trade Receivables	11	30,548.02	33,472.92
(iii) Cash and Cash Equivalents	12	25,723.19	20,192.95
(iv) Bank Balances Other than (iii) above	13	20,557.98	262.70
(v) Loans	14	6,608.63	2,076.63
(vi) Other Financial Assets	15	2,435.17	2,078.33
c. Current Tax Assets	16	476.28	392.76
d. Other Current Assets	17	7,279.30	1,247.73
Total Current Assets		128,896.54	101,982.59
Total Assets		218,494.42	189,564.68
EQUITY AND LIABILITIES			
1 Equity			
a. Equity Share Capital	18	4,669.84	4,669.84
b. Other Equity	19	121,569.19	113,208.91
Total Equity		126,239.03	117,878.75
2 Liabilities			
Non-Current Liabilities			
a. Financial Liabilities			
(i) Borrowings	20	16,393.17	3,841.43
b. Provisions	21	547.39	156.61
c. Deferred Tax Liabilities (Net)	22	14,318.23	13,323.83
d. Other Non Current Liabilities			
(i) Deferred Income	26.1	423.08	448.72
Total Non-Current Liabilities		31,681.87	17,770.59
Current Liabilities			
a . Financial Liabilities			
(i) Borrowings	23	18,720.11	37,787.22
(ii) Trade Payables	24		
Total Outstanding dues to Micro Enterprises and Small Enterprises		40.11	41.64
Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises		31,684.21	8,574.83
(iii) Other Financial Liabilities	25	5,097.10	3,547.99
b. Other Current Liabilities	26	4,297.74	2,994.68
c. Provisions	21	734.25	968.98
Total Current Liabilities		60,573.52	53,915.34
Total Liabilities		92,255.39	71,685.93
Total Equity and Liabilities		218,494.42	189,564.68

Significant Accounting Policies and other accompanying Notes (1-50) form an integral part of Financial Statements

As per our report of even date
For Lodha & Co,
Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

R. K. Khanna
Chairman
DIN: 05180042

G. S. Rathi
Whole Time Director
DIN: 00083992

R. P. Singh
Partner
Membership No. 52438
Place: Chennai.
Date: May 08, 2019.

N. Sivalai Senthilnathan
Chief Financial Officer

G. Kodanda Pani
Company Secretary

Statement of Profit and Loss for the Year Ended March 31, 2019

Rs. in Lakhs

Particulars	Note No.	31st March 2019	31st March 2018
I Revenue from operations	27	155,880.44	159,423.25
II Other Income	28	5,064.63	3,713.68
III Total Income		<u>160,945.07</u>	<u>163,136.93</u>
IV EXPENSES			
Cost of materials consumed	29	85,022.36	74,098.68
Purchase of Stock-in-Trade	30	5,453.80	12,514.40
Changes in inventories of finished goods, Stock-in-Trade and work-in progress	31	(2,644.89)	664.38
Excise duty on sale of goods		-	743.77
Employee Benefit Expenses	32	7,878.14	7,511.37
Finance costs	33	4,050.23	4,297.41
Depreciation and Amortisation Expense	34	3,704.62	3,544.82
Other Expenses	35	41,475.83	39,668.69
Total expenses		<u>144,940.09</u>	<u>143,043.52</u>
V Profit before tax (III-IV)		<u>16,004.98</u>	<u>20,093.41</u>
VI Tax expense:	36		
(1) Current tax		(3,399.29)	(4,263.40)
(2) Deferred tax		(851.96)	(1,089.86)
Total tax expense		<u>(4,251.25)</u>	<u>(5,353.26)</u>
VII Profit for the year (V - VI)		<u>11,753.73</u>	<u>14,740.15</u>
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(24.01)	34.54
Income tax relating to items that will not be reclassified to Profit and Loss	36.1	8.40	(11.95)
Other Comprehensive Income for the year (net of tax)		<u>(15.61)</u>	<u>22.59</u>
Total Comprehensive Income for the year		<u>11,738.12</u>	<u>14,762.74</u>
IX Earnings Per Equity Share (EPS) of Rs. 10 each			
Basic and Diluted EPS (in Rs.)	47	<u>25.17</u>	<u>35.53</u>

Significant Accounting Policies and other accompanying Notes (1-50) form an integral part of Financial Statements

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R. P. Singh
Partner
Membership No. 52438
Place: Chennai.
Date: May 08, 2019.

For and on behalf of the Board

R. K. Khanna
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DIN: 05180042

N. Sivalai Senthilnathan
Chief Financial Officer

G. S. Rathi
Whole Time Director
DIN: 00083992

G. Kodanda Pani
Company Secretary

Statement of changes in Equity for the Year ended 31st March, 2019

Rs. in Lakhs

A. Equity Share Capital

Balance at the beginning of the reporting period as on March 31, 2018	4,669.84
Movement during the year	-
Balance at the end of March 31, 2019	4,669.84

B. Statement of Changes in Other Equity

Other Equity March 31, 2019

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2018	23,940.81	37,500.00	51,768.10	113,208.91
Profit for the year	-	-	11,753.73	11,753.73
Other Comprehensive Income for the year	-	-	(15.61)	(15.61)
Total Comprehensive Income for the year	-	-	11,738.12	11,738.12
Equity Shares issued pursuant to QIP (Refer Note no. 48)	-	-	-	-
QIP Issue Expenses (Refer Note no. 48)	-	-	-	-
Tax effect on QIP Issue Expenses	-	-	-	-
Transfer from/to Retained Earning	-	5,000.00	(5,000.00)	-
Dividends (including corporate dividend tax)	-	-	(3,377.84)	(3,377.84)
Balance as of March 31, 2019	23,940.81	42,500.00	60,128.38	121,569.19

Other Equity March 31, 2018

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2017	-	32,500.00	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. 48)	24,306.51	-	-	24,306.51
QIP Issue Expenses (Refer Note no. 48)	(559.25)	-	-	(559.25)
Tax effect on QIP Issue Expenses	193.55	-	-	193.55
Other adjustments	-	-	(0.38)	(0.38)
Transfer from/to Retained Earning	-	5,000.00	(5,000.00)	-
Dividends (including corporate dividend tax)	-	-	(2,871.51)	(2,871.51)
Balance as of March 31, 2018	23,940.81	37,500.00	51,768.10	113,208.91

Refer Note no. 19 for nature and purpose of reserves

Significant Accounting Policies and other accompanying Notes (1-50) form an integral part of Financial Statements

As per our report of even date
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R. K. Khanna
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Whole Time Director
DIN: 00083992

R. P. Singh
Partner
Membership No. 52438
Place: Chennai.
Date: May 08, 2019.

N. Sivalai Senthilnathan
Chief Financial Officer

G. Kodanda Pani
Company Secretary

Statement of Cash Flow for the year ended March 31, 2019

Rs. in Lakhs

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
A. Cash Flow from operating activities				
Net Profit Before Tax		16,004.98		20,093.41
Adjustments for :				
Finance Cost	4,050.23		4,297.41	
Depreciation and Amortisation Expense	3,704.62		3,544.82	
Gain on sale of property, plant and equipment (net)	(16.96)		(3.66)	
Deferred Income	(209.72)		(25.64)	
Interest Income on loans, deposits, overdue debts etc.	(3,410.18)		(1,084.94)	
Provision for Obsolete and Non-Moving Stores and Spares	13.00		-	
Impairment Allowances for doubtful debts	5.72		96.61	
Fair Valuation of current instrument through profit and loss	-		(340.66)	
Provision/ Liabilities no longer required written back	(8.97)		(195.04)	
Impairment Allowances for doubtful debts no longer required written back	(93.75)		-	
Bad debts	61.83		-	
Net gain/(loss) on redemption of current investments	(338.37)	3,757.45	(1,046.66)	5,242.24
Operating Profit before Working Capital changes		19,762.43		25,335.65
Adjustments for :				
(Increase) / decrease in Loans, Other Financial and Non-Financial Assets	(176.58)		(59.43)	
(Increase) / decrease in Trade Receivables	3,068.31		(11,088.98)	
(Increase) / decrease in Inventories	(14,368.68)		430.63	
Increase / (decrease) in Other non-financial Liabilities and provisions	414.79		691.69	
(Increase) / decrease in Other current Financial Assets and Non-Financial Assets	(6,263.83)		(171.22)	
(Decrease) / (increase) in Other Financial Liabilities	-		9.69	
Increase / (decrease) in Trade Payables and other financial Liabilities	24,897.31	7,571.32	585.16	(9,602.46)
Cash Generated from Operations		27,333.75		15,733.19
Direct Taxes Paid		(3,482.81)		(4,302.49)
Cash from Operating Activities (A)		23,850.94		11,430.70
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(5,504.95)		(4,208.04)	
Sale of Property, Plant and Equipment	82.50		5,538.85	
Interest Received	3,103.60		761.46	
(Increase) / decrease in Bank Balances other than Cash and cash equivalents	(20,275.49)		526.82	
(Purchase)/ Sale of Current Investments (Net)	21,684.65		(4,695.43)	
(Increase) / decrease in Inter-Corporate Deposits	(4,350.00)		10.87	
Capital subsidy Received	-		500.00	
Net Cash Flow From Investing Activities (B)		(5,259.69)		(1,565.47)
C. Cash Flow from Financing Activities				
Long Term Borrowings-Receipts/(Repayments)[Net]	13,397.31		(3,584.48)	
Short Term Borrowings-Receipts/(Repayments)[Net]	(19,067.11)		(8,981.03)	
Interest Paid	(4,033.16)		(4,284.89)	
Proceeds from Issue of Shares via QIP (Net of Expenses)	-		24,634.29	
Dividends (including corporate dividend tax)	(3,358.05)		(2,885.25)	
Net Cash Flow From Financing Activities (C)		(13,061.01)		4,898.64
Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)		5,530.24		14,763.87
Cash and Cash Equivalent as at Beginning of Year		20,192.95		5,429.08
Cash and Cash Equivalent as at End of the Year (Refer Note 12)		25,723.19		20,192.95
Notes				
1 Components of Cash and Cash Equivalents				
Cash On Hand		1.39		1.75
Balances with Banks				
In Current Account		13,221.80		191.20
In Deposit Account		12,500.00		20,000.00
		25,723.19		20,192.95
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, 2018	Cash flows*	Non-Cash Flows	As at March 31, 2019
Non-current borrowings [Refer Note no. 20]	3,841.43	15,962.17	(3,410.43)	16,393.17
Current maturities of long term debt [Refer Note no. 25]	2,564.86	(2,564.86)	3,410.43	3,410.43
Short Term borrowings [Refer Note no. 23]	37,787.22	(19,067.11)	-	18,720.11
Interest accrued but not due on borrowings [Refer Note no. 25]	328.29	(328.29)	345.36	345.36
*Includes cash flows on account of both principal and interest.				

Significant Accounting Policies and other accompanying Notes (1-50) form an integral part of Financial Statements

As per our report of even date
For Lodha & Co,
Chartered Accountants
Firm Registration No. 301051E

For and on behalf of the Board

R. K. Khanna
Chairman
DIN: 05180042

G. S. Rathi
Whole Time Director
DIN: 00083992

R. P. Singh
Partner
Membership No. 52438
Place: Chennai.
Date: May 08, 2019.

N. Sivalai Senthilnathan
Chief Financial Officer

G. Kodanda Pani
Company Secretary

Notes to Financial Statements for the year ended March 31, 2019

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 Pipes as its core business and in the process produces and supplies Pig Iron and Cement. 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 financial statements have been prepared in accordance with 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"). The Company has complied with Ind AS issued, notified and made effective till the date of authorisation of the financial statements.

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

2.2 Application of new and revised Standards

- a) Ind AS 115, Revenue from Contracts with Customers has been applied with effect from April 01, 2018 under modified retrospective approach which does not have any impact on the financial statements.
- b) Ind AS 21- Appendix B, "Foreign Currency Transactions and Advance Consideration" and Ind AS 12 "Income Taxes" have been revised with effect from the said date. This also does not have any material impact on the financial statements. Revision in other standards are either not applicable or do not have any impact on the financial statements.

2.3 Recent Pronouncements

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued Companies (Indian Accounting Standards) Amendment Rules, 2019 notifying Ind AS 116, Leases and Appendix C, 'Uncertainty over Income Tax Treatments' to Ind AS 12, 'Income Taxes', which are applicable with effect from financial period ending on or after April 1, 2019.

a) Ind AS 116, Leases

Ind AS 116 will affect the accounting of lessees primarily by removing the current distinction between operating and finance leases. This requires recognition of an asset (the right-of-use asset) and a financial liability to pay rentals over the period of all most all the lease contracts. Accounting in the book of lessor is substantially unchanged.

Presently, the Company is in the process of evaluating the impact of application of Ind AS 116 on its financial statements.

b) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

The appendix explains the recognition and measurement of deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

Presently, the Company is in the process of evaluating the impact of application of this appendix on its financial statements.

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.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in

Notes to Financial Statements for the year ended March 31,2019

Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. Accordingly, these 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:

- a) Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2 : inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) 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 reviews 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 (net of cenvat availed), 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 developmental 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.

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 developmental 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 (PPE)

Depreciation on PPE is recognized on straight line basis over the estimated useful lives except otherwise stated, 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.

Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows:

Notes to Financial Statements for the year ended March 31, 2019

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

Major Furnace relining costs are depreciated over a period of 6 years (average expected life)

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.

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 to 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

Notes to Financial Statements for the year ended March 31, 2019

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 discounts estimated future cash payments or receipts (including all fees, 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.

(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

Notes to Financial Statements for the year ended March 31, 2019

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 derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness thereof 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/financial liability, 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.

In case of 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 assets'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 the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statement of profit and 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.

Notes to Financial Statements for the year ended March 31, 2019

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.
- (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

Notes to Financial Statements for the year ended March 31, 2019

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

Revenue from Sale of Product

Revenue from Sales is recognised when control of the products has been transferred and/or the products are delivered to the customers. Delivery occurs when the product has been shipped or delivered to the specific location as the case may be and either the customer has accepted the product in accordance with the contract or the company has objective evidence that all criteria for acceptance has been satisfied.

The Company provides warranties for defects, replacement etc. that existed at the time of sale based on historical trend and records.

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 incentives are accounted for in the year of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.

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

Notes to Financial Statements for the year ended March 31,2019

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.

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 the internal reporting provided to the chief-operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Segment manager who allocates resources and assess the operating activities, financial results, forecasts, or plans for the segment.

4. Critical accounting estimates, judgments and assumptions

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 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 and impairment loss against 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 assets' or cash generating unit's (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

Notes to Financial Statements for the year ended March 31, 2019

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 and/or to be reversed 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. 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. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e. 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 judgement 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 March 31, 2019

5 Property, Plant and Equipment As at March 31, 2019:

(Rs. in Lakhs)

Particulars	Land Freehold	Factory Buildings	Non Factory Buildings	Plant and Equipments	Electrical Installations	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Gross Block									
As at March 31, 2018	34,034.87	6,575.86	1,104.93	51,179.65	635.60	258.04	43.63	340.00	94,172.58
Additions	454.37	181.67	318.06	4,938.63	8.77	40.08	1.10	11.47	5,954.15
Deduction/Adjustment	-	-	-	562.05	-	-	-	-	562.05
As at March 31, 2019	34,489.24	6,757.53	1,422.99	55,556.23	644.37	298.12	44.73	351.47	99,564.68
Accumulated Depreciation									
As at March 31, 2018	-	800.05	307.46	8,868.79	371.76	130.25	15.59	104.23	10,598.13
Depreciation charged during the year	-	283.26	112.98	3,174.61	27.14	34.42	4.89	38.76	3,676.06
Deduction/Adjustment	-	-	-	496.51	-	-	-	-	496.51
As at March 31, 2019	-	1,083.31	420.44	11,546.89	398.90	164.67	20.48	142.98	13,777.68
Net Carrying Amounts as at March 31, 2019	34,489.24	5,674.22	1,002.55	44,009.34	245.46	133.45	24.25	208.49	85,787.00

As at March 31, 2018:

(Rs. in Lakhs)

Particulars	Land Freehold	Factory Buildings	Non Factory Buildings	Plant and Equipments	Electrical Installations	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Gross Block									
As at March 31, 2017	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	1,299.98	-	42.49	11.26	33.94	1,783.86
Deduction/Adjustment	5,520.60	-	-	17.16	-	-	-	-	5,537.76
As at March 31, 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									
As at March 31, 2017	-	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
As at March 31, 2018	-	800.05	307.46	8,868.79	371.76	130.25	15.59	104.23	10,598.13
Net Carrying Amounts as at March 31, 2018	34,034.87	5,775.81	797.47	42,310.86	263.84	127.79	28.04	235.77	83,574.45

5.1 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 Rs. 32,176.37 lakhs as on April 01, 2015 (i.e. transition date) in accordance with the provisions of Ind AS 101 "First-time adoption of Indian Accounting Standards".

5.2 Other adjustments includes Rs. 262.16 lakhs (March 31, 2018: Rs 203.87 lakhs) representing forex capitalisation.

5.3 Refer Note no. 20 to financial statements in respect of charge created against borrowings

5.4 During the year government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme amounting to Rs. 294.74 lakhs on purchase of property, plant and equipment has been accounted for as government grant. This has been added to Plant and Equipments with corresponding credit to Deferred Income (Refer Note no.26.1(b)). This is subject to fulfillment of export obligations of Rs. 1,768.42 lakhs to be completed by September 23, 2020.

Notes to Financial Statements for the year ended March 31, 2019

5.1 Intangible Assets:

(Rs. in Lakhs)

As at March 31, 2019

Details	Computer Software
Gross Block	
As at March 31, 2018	174.37
Additions	18.29
Deduction/Adjustment	-
As at March 31, 2019	192.66
Accumulated Amortisation	
As at March 31, 2018	99.38
Charge during the year	28.56
Deduction/Adjustment	-
As at March 31, 2019	127.94
Net Carrying Amounts as at March 31, 2019	64.72

As at March 31, 2018

Details	Computer Software
Gross Block	
As at March 31, 2017	159.38
Additions	14.99
Deduction/Adjustment	-
As at March 31, 2018	174.37
Accumulated Amortisation	
As at March 31, 2017	64.88
Charge during the year	34.50
Deduction/Adjustment	-
As at March 31, 2018	99.38
Net Carrying Amounts as at March 31, 2018	74.99

Notes to Financial Statements for the year ended March 31,2019

6 Loans

Rs. in Lakhs

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Security Deposits			
Unsecured - considered good		763.66	648.17
Unsecured Credit Impaired		5.72	-
Less : Impairment Allowance for doubtful		(5.72)	-
Total		763.66	648.17

7 Other Financial Assets

Margin Money with banks	13.1	24.67	4.18
Security Deposit/EMD to Customers	15.2	75.30	82.55
Total		99.97	86.73

8 Other Non-Current Assets

Capital Advances		391.61	132.91
Prepaid Expenses		19.53	21.04
Prepayment of Lease Rent		64.30	67.41
Total		475.44	221.36

9 Inventories

(Valued at lower of Cost or Net Realisable Value)			
Raw Materials		25,216.53	13,796.48
Raw Materials in transit		-	206.78
Process Stock		929.27	802.75
Finished Goods		1,984.93	855.70
Finished Goods in transit		1,389.14	-
Stores & Spares		5,761.10	5,248.33
Stores & Spares in transit		-	2.25
Less: Provision for Obsolete and Non-Moving Stores and Spares		(13.00)	-
Total		35,267.97	20,912.29

9.1 Refer Note No. 23.1 to financial statements in respect of charge created against borrowings.

10 Investments- Current

Particulars	Face Value	As at March 31, 2019		As at March 31, 2018	
		No of Units	Amount	No of Units	Amount
Investment in Mutual Funds (Fair Value through Profit and Loss)					
Quoted					
ICICI Regular Income Fund	10	-	-	18,387,193	3,358.95
Reliance Regular Savings Fund	10	-	-	12,066,316	3,056.41
HDFC Short Term Opportunities Fund	10	-	-	21,791,293	4,210.82
ICICI Prudential Savings Fund	10	-	-	15,723,353	3,060.03
Aditya Birla Sun Life Corporate Fund Bond	10	-	-	30,758,820	4,087.32
Franklin India Treasury Management Account	1000	-	-	19,367	503.05
HDFC Regular Savings Fund	10	-	-	1,548,515	545.70
L&T Liquid Fund	1000	-	-	21,127	503.12
Reliance Quarterly Interval Fund Series Ii	10	-	-	4,210,810	1,010.72
UTI-Fixed Income Interval Fund - V-					
Quarterly Interval Plan- Retail Option	10	-	-	4,725,853	1,010.16
HDFC Overnight Fund	-	-	-		
Total			-		21,346.28

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

Notes to Financial Statements for the Year Ended March 31, 2019

11 Trade Receivables

Rs. in Lakhs

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
(Unsecured)			
- Considered good	11.2	30,548.02	33,472.92
- Credit Impaired		-	111.48
Sub-Total		30,548.02	33,584.40
Less : Impairment Allowance for doubtful receivables	11.3	-	(111.48)
Total		30,548.02	33,472.92

11.1 Refer Note no. 23.1 to financial statements in respect of charge created against borrowings

11.2 Age of Trade Receivables:

Particulars			
Within the credit period (actuals)		21,069.33	27,489.44
1-180 days past due		9,004.65	5,966.29
More than 180 days past due		474.04	128.67
Total		30,548.02	33,584.40

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

11.3 Movement of Impairment Allowances

Particulars			
Balance at the beginning of the year		111.48	14.87
Addition in expected credit loss allowance on trade receivables		-	96.61
Write back during the year		(111.48)	-
Balance at end of the year	Total	-	111.48

12 Cash and Cash Equivalents

Balances with Banks			
- in Current Account	12.1 and 12.2	13,221.80	191.20
-In Fixed Deposit with original maturity of less than 3 months		12,500.00	20,000.00
Cash on Hand		1.39	1.75
Total		25,723.19	20,192.95

12.1 Includes Rs.2,500.00 lakhs (March 31, 2018: Rs. 20,000.00 lakhs) out of QIP proceeds pending utilisation thereof in terms of the issue (Refer Note no. 48).

12.2 Includes Rs.7,500.00 lakhs (March 31, 2018: Nil) out of Term Loan proceeds pending utilisation thereof in terms of the intended use.

13 Bank Balances other than Cash and Cash Equivalents

Balances with Banks			
In Unpaid Dividend		75.42	55.63
-In Fixed Deposit with original maturity of more than 3 months	13.2	20,000.00	-
In Margin Money	13.1	482.56	207.07
Total		20,557.98	262.70

13.1 Margin Fixed Deposits with banks includes Fixed Deposit of Rs.507.23 lakhs (March 31, 2018: Rs.211.25 Lakhs) including Rs.24.67 lakhs (March 31, 2018: Rs.4.18 lakhs) disclosed under other non-current financial assets have been lodged with banks against guarantee issued by them.

13.2 Includes Rs.2,105.03 lakhs (March 31, 2018: Nil) out of QIP proceeds pending utilisation thereof in terms of the issue (Refer Note no. 48)

Notes to Financial Statements for the Year Ended March 31, 2019

Rs. in Lakhs

14 Loans

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Unsecured			
- Considered good			
Inter Corporate Loans	14.2	6,350.00	2,000.00
Loans and Advances to employees		27.47	14.98
Other Deposits	14.1	231.16	61.65
Total		6,608.63	2,076.63

14.1 Disclosure of Loans and Advances as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 are as follows:

Particulars of Advances	Amount Outstanding at the year end March 31, 2019	Maximum Amount Outstanding at the year end March 31, 2019	Amount Outstanding at the year end March 31, 2018	Maximum Amount Outstanding at the year end March 31, 2018
Loans and advances in the nature of loans to Companies in which directors are interested				
Amit Trexim Private Limited	3.00	3.00	3.00	3.00
Global Exports Limited	15.00	15.00	15.00	15.00

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

14.2 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, 2019	Maximum Amount Outstanding at the year end March 31, 2019	Amount Outstanding at the year end March 31, 2018	Maximum Amount Outstanding at the year end March 31, 2018
Tetron Capital Limited	10%	2,000.00	3,000.00	-	-
Rashmi Properties and Investments Limited	10%	3,000.00	3,000.00	-	-
Sanghai Commercial & Credits (P) Limited	10%	1,350.00	15,000.00	2,000.00	2,000.00
Total		6,350.00	21,000.00	2,000.00	2,000.00

14.2.1 All the above Inter Corporate Loans have been given for general corporate purposes.

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

15 Other Financial Assets

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Fair value of foreign exchange forwards, currency option contracts and Interest swaps (Refer Note No 37.)		-	206.57
Security Deposit/EMD to Customers	15.2	337.38	206.29
Sales Tax Subsidy Receivable		1,202.49	1,073.82
Sales Tax Deposits	15.1	396.81	399.74
Interest Receivable		498.49	191.91
Total		2,435.17	2,078.33

15.1 Represents deposits made against disputed demand with Sales Tax Authorities (Refer Note no. 38(c)(i))

15.2 Represents deposits lying with customers in terms of agreement/order with/from customers

16 Current Tax Assets (Net)

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Advance Tax (Net of Provisions)		476.28	392.76
Total		476.28	392.76

Notes to Financial Statements for the Year Ended March 31, 2019

Rs. in Lakhs

17 Other Current Assets

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Advance for supply of goods and services			
- Related Parties	17.1	4,816.18	-
- Others		2,178.40	1,086.84
Prepaid Expenses		244.50	114.10
Prepayments of leasehold land		3.12	3.12
MEIS Licences		37.10	-
Other Receivables		-	43.67
Total		7,279.30	1,247.73

17.1 Represents Interest bearing advances

18 Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares in Lakhs	Rs. in lakhs	No. of Shares	Rs. in lakhs
Authorized Shares				
Equity Shares of Rs.10/- each	530.00	5,300.00	530.00	5,300.00
Issued, Subscribed and Paid up Shares				
Equity Shares of Rs.10/- each	466.98	4,669.84	466.98	4,669.84
Total	466.98	4,669.84	466.98	4,669.84

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares in Lakhs	Rs. in lakhs	No. of Shares	Rs. in lakhs
Opening number of Shares Outstanding	466.98	4,669.84	397.64	3,976.36
Add : Issued during the period (Refer Note no. 48)	-	-	69.34	693.48
Closing number of Shares Outstanding	466.98	4,669.84	466.98	4,669.84

18.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 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 the remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by them.

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares in Lakhs	% holding	No. of Shares	% holding
M/s.Electrosteel Castings Ltd	193.01	41.33	193.01	41.33
M/s. DSP Equity & Bond Fund	35.82	7.67	33.29	7.13

Notes to Financial Statements for the Year Ended March 31, 2019

Rs. in Lakhs

19 Other Equity	Refer Note no.	As at March 31, 2019	As at March 31, 2018
(a) Securities Premium	19.2(a)	23,940.81	23,940.81
(b) General Reserve	19.2(b)	42,500.00	37,500.00
(c) Retained Earnings	19.2(c)	55,128.38	51,768.10
Total		121,569.19	113,208.91

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

19.2 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 is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component to another and is not an item of Other Comprehensive Income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

c) Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company. This includes Rs. 2,48,85.21 lakhs represented by change in carrying amount of an PPE being measured at Fair Value and considered as deemed cost as on the date of transition to Ind AS and Other Comprehensive Income of Rs.(92.85 lakhs) (March 31, 2018: Rs.(77.24 lakhs)) relating to re-measurement of defined benefit plans which cannot be reclassified to Statement of Profit and Loss. The amount reported above are not distributable in entirety.

19.3 Subsequent to the balance sheet date, the Board of Directors has recommended a dividend of Rs. 6/- per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2019. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is Rs. 2,801.88 lakhs and the dividend distribution tax thereon amounts to Rs. 593.19 lakhs.

Rs. in Lakhs

20 Borrowings	Refer Note no.	As at March 31, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
Secured - from Banks	20.2				
Rupee Term loans	20.1 (a) and (b)	15,577.13	1,750.00	1,500.00	1,000.00
External Commercial Borrowing	20.1 (c)	816.04	1,660.43	2,341.43	1,564.86
		16,393.17	3,410.43	3,841.43	2,564.86
Less: Amount shown under current Financial liabilities	25	-	3,410.43	-	2,564.86
Total		16,393.17	-	3,841.43	-

20.1 Terms of Repayment and rate of interest:

- Rupee Term Loan outstanding as on March 31, 2019 Rs.7,457.80 Lakhs (March 31, 2018: Nil) is repayable in 20 equal Quarterly instalment of Rs. 375.00 Lakhs each from September 2019 and carries an Interest at MCLR-1Y+0.85 (i.e. 9.35% p.a. presently) payable monthly.
- Rupee Term Loan outstanding as on March 31, 2019 Rs. 9,869.33 Lakhs (March 31, 2018: Nil) is repayable in 20 equal Quarterly instalment of Rs. 500.00 Lakhs each from October 2019 and carries an Interest at MCLR-1Y+0.96 (i.e. 10.40% p.a. presently) payable monthly.
- External Commercial Borrowings outstanding as on March 31, 2019 Rs. 2,476.47 Lakhs (Equivalent US\$ 35.92 Lakhs) (March 31, 2018 Rs. 3,906.29 lakhs (Equivalent US\$ 59.94 lakhs)) is repayable in 3 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 4.3% p.a payable half yearly.
- The outstanding balances as disclosed above are based on Amortised cost in accordance with Ind AS 109 "Financial Instruments".

20.2 Nature of security :

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

Notes to Financial Statements for the Year Ended March 31, 2019

21 Provisions

Rs. in Lakhs

	As at March 31, 2019		As at March 31, 2018	
	Non Current	Current	Non Current	Current
For Employee Benefits				
- Unavailed Leave, Gratuity, Bonus, etc.,	547.39	734.25	156.61	968.98
Total	547.39	734.25	156.61	968.98

22 Deferred tax liabilities (Net):

	As at March 31, 2018	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised in Securities Premium/ Other adjustments	As at March 31, 2019
Deferred tax liabilities / assets in relation to:					
Deferred tax Liabilities:					
Timing Difference w.r.t Property, Plant and Equipment	15,448.18	524.43	-	-	15,972.61
Fair Valuation of Derivative Instrument through Profit and Loss and Others	163.80	(161.02)	-	-	2.78
Total Deferred tax Liabilities	15,611.98	363.41	-	-	15,975.39
Deferred tax Assets:					
MAT Credit entitlement	1,725.26	(664.80)	-	(150.84)	909.62
Share Issue Expenses	154.83	(37.58)	8.40	-	125.65
Defined benefit obligation / Employee Benefits and others	408.06	213.83	-	-	621.89
Total Deferred tax Assets	2,288.15	(488.55)	8.40	(150.84)	1,657.16
Deferred tax liabilities (net)	13,323.83	851.96	(8.40)	150.84	14,318.23
Deferred tax liabilities (Net):					
Deferred tax liabilities / assets in relation to:					
Deferred tax Liabilities:					
Timing Difference w.r.t Property, Plant and 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

23 Borrowings

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Secured			
Working Capital Loans - from Banks			
Rupee Loan	23.1	15,208.35	11,500.86
Foreign Currency Loan	23.1	-	18,221.51
		15,208.35	29,722.37
Unsecured			
Bills Discounted with Banks	23.2	3,511.76	8,064.85
Total		18,720.11	37,787.22

Notes to Financial Statements for the Year Ended March 31, 2019

23.1 Nature of Security and rate of interest

Loan repayable on demand 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.

23.2 The Company has discounted trade receivables on recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable to that extent even though ear marked against the same do not meet the de-recognition criteria. These bills are discounted at around 8.50% and are repayable within 180 days.

24 Trade payables

Rs. in Lakhs

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Payable for Goods and Services			
Due to Micro and Small Enterprises	40	40.11	41.64
Due to Others	24.1	31,684.21	8,574.83
Total		31,724.32	8,616.47

24.1 Includes Import Acceptances of Rs. 21,585.02 lakhs (March 31, 2018: Nil) carrying interest @ applicable LIBOR plus 40 bps p.a. to 75 bps p.a. Such acceptances are repayable not later than 180 days. These are secured by hypothecation pursuant to non-fund based facilities as per Note no. 23.1 above.

25 Other Financial Liabilities

Rs. in Lakhs

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings- Secured	20	3,410.43	2,564.86
Interest accrued but not due on Loans		345.36	328.29
Unpaid dividends		75.42	55.63
Others			
- Creditors for capital goods		281.42	419.27
- Retention Money		136.19	105.30
- Deposits from Customers/Vendors		-	32.30
- Foreign exchange forwards, currency option contracts and Interest swaps	37	754.30	-
- Other Payables		93.98	42.34
Total		5,097.10	3,547.99

26 Other Current liabilities

Rs. in Lakhs

	Refer Note no.	As at March 31, 2019	As at March 31, 2018
Statutory Dues- PF, ESI, Service Tax, TDS, GST etc.		2,647.81	1,813.02
Advance from Customers		1,249.56	891.95
Deferred Income	26.1	136.30	25.64
Others		264.07	264.07
Total		4,297.74	2,994.68

Notes to Financial Statements for the Year Ended March 31, 2019

26.1 Deferred Income Comprises of Government Grants/Assistance in form of:

Rs. in Lakhs

Particulars	Opening (Including Non-Current Portion)	Recognised during the year	Transferred to Statement of Profit and Loss	Closing (Including Non-Current Portion)
a) Financial Assistance under Industrial Development Fund (IDF) towards Capital expenditure incurred for manufacturing capacity of DI Pipes to be used for transportation of Waste water and for installation of treatment plant in order to recycle the sewage water for industrial requirement from Tirupathi Municipal Corporation as specified in Industrial Investment Promotion Policy 2005-2010 and 2010-2015. The related income has been recognised based on useful lives of concerned property, plant and equipment	474.36	-	25.64	448.72
b) Duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant. Income from such grant is estimated on the basis of fulfilment of related export obligations.	-	294.74	184.08	110.66

27 Revenue from operations

Rs. in Lakhs

	Refer Note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Manufactured Products			
- DI Spun Pipes		134,558.97	128,438.61
- Pig Iron		387.33	830.85
- Cement		1,227.56	2,059.88
- Coke		5,738.16	7,622.11
- Other Products		8,232.32	7,707.05
Sale of Traded Products			
- Coal		5,679.53	12,764.75
Other Operating Income			
- Export Incentive		56.57	-
Total		155,880.44	159,423.25

27.1 Goods and Service Tax ("GST") which has been implemented with effect from July 01, 2017 has not been included in the Revenue from Operations, however till that date it was inclusive of Excise Duty and as such figures for the year ended March 31, 2018 are not comparable with figures of current year.

28 Other Income

Rs. in Lakhs

	Refer Note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income On loans, deposits, overdue debts etc. measured at amortised cost		3,410.18	1,084.94
Rent received		5.24	5.36
Net gain/(loss) on redemption of Current Investment		338.37	1,046.66
Net gain/(loss) on fair valuation of Current Investments through profit or loss		-	340.66
Profit/ (loss) on sale of property, plant and equipment (net)		16.96	3.66
Net gain/(loss) on foreign exchange fluctuation		581.21	157.78
Liabilities no longer required written back		8.97	195.04
Impairment Allowances for doubtful debts no longer required written back		93.75	-
Income from Government Grants 26.1	26.1	209.72	25.64
Miscellaneous Income		400.23	853.94
Total		5,064.63	3,713.68

Notes to Financial Statements for the Year Ended March 31, 2019

29 Cost of materials consumed

Rs. in Lakhs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Coking Coal / Coke	44,435.40	37,984.98
Iron Ore / Iron Ore Fines	18,403.77	16,323.04
CRC / MS Scrap	5,444.08	4,893.46
Others	16,739.11	14,897.20
Total	85,022.36	74,098.68

30 Purchases of Stock-in-trade

	For the year ended March 31, 2019	For the year ended March 31, 2018
Coal	5,453.80	12,514.40
Total	5,453.80	12,514.40

31 Changes in inventories of Finished goods, Stock-in-trade and work in progress

	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
Opening Stock				
Process Stock	802.75		1,078.24	
Finished Goods	855.70	1,658.45	1,244.59	2,322.83
Closing Stock				
Process Stock	929.27		802.75	
Finished Goods	3,374.07	4,303.34	855.70	1,658.45
Total		(2,644.89)		664.38

32 Employee Benefit Expense

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries and Wages	6,900.76	6,573.64
Contribution to Provident and Other Fund	364.27	351.10
Staff Welfare Expenses	613.11	586.63
Total	7,878.14	7,511.37

33 Finance Cost

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Expenses on financial liabilities	3,198.52	3,456.31
Other Borrowing Cost (i.e. LC charges, Supplier's Credit, Guarantee Commission, Swap etc.)	382.56	557.70
Net (Gain) / Loss on foreign currency transactions and translation	469.15	283.40
Total	4,050.23	4,297.41

34 Depreciation and Amortisation

	Refer Note no.	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Depreciation on Tangible Assets	5	3,676.06	3,510.32
Amortisation of Intangible Assets	5.1	28.56	34.50
Total		3,704.62	3,544.82

Notes to Financial Statements for the Year Ended March 31, 2019

35 Other Expenses

Rs. in Lakhs

	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
Power & Fuel		6,632.33		7,356.53
Consumption of Stores, Spares & Consumables		13,778.49		13,725.15
Handling & Transport charges		4,691.96		4,516.31
Directors' Sitting Fee and Commision		113.50		53.07
Rent		127.57		129.33
Professional and consultancy		601.70		518.68
Rates & Taxes		171.88		165.78
Insurance		182.24		218.72
Packing and Forwarding charges		10,230.54		9,231.90
Commission to Selling Agents		1,233.58		1,016.66
Repairs & Maintenance :				
- Plant & Machinery		1,170.98		1,262.63
- Buildings		135.03		175.21
- Others		0.92		2.18
Impairment Allowances for doubtful debts & Advances		5.72		96.61
Net (gain)/Loss on Derivative Instrument on fair valuation through profit and loss		1,144.96		148.54
Auditors'Remuneration :				
- Audit fee		10.00		7.00
- Tax Audit		3.00		3.00
- Certification fee		7.25		2.93
- Out of Pocket Expenses		1.59		1.40
Bad debts	79.56		843.49	
Less:- Transferred from Impairment Allowances for doubtful debts	17.73	61.83	843.49	-
Charity and Donations		105.51		11.35
Contribution to CSR Activites		369.09		363.91
Miscellaneous Expenses		696.16		661.80
Total		41,475.83		39,668.69

Notes to Financial Statements for the Year Ended March 31, 2019

36 Tax Expense

Rs. in Lakhs

Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Current tax		
In respect of the current year	3,314.37	4,387.75
In respect of prior years	84.92	(124.35)
	3,399.29	4,263.40
Deferred tax		
In respect of the current year	851.96	1,089.86
Total tax expense recognised in the current year	4,251.25	5,353.26
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:		
Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Profit before tax	16,004.98	20,093.42
Income tax expense calculated at 34.94% (March 31, 2018: 34.94%)	5,592.14	6,953.93
Less : Effect of income Exempt from taxation		
Deduction U/s 80-IA	(1,676.19)	(1,627.64)
Add : Effect of expenses that are not deductible in determining taxable profit		
CSR Expenditure, Donation etc.	128.96	129.88
In respect of prior years	84.92	(124.35)
Others	121.42	21.44
Total	4,251.25	5,353.26
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.		
36.1 Income tax recognised in other comprehensive income		
Particulars	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	8.40	(11.95)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	8.40	(11.95)
Items that may be reclassified to profit or loss	-	-

Notes to Financial Statements for the Year Ended March 31, 2019

37. FINANCIAL INSTRUMENTS

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

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets (Current and Non-Current)		
At Amortised cost:		
• Security and Other Deposits	1,804.31	1,398.40
• Trade receivables	30,548.02	33,472.92
• Cash and Bank balances	13,298.61	248.58
• Fixed Deposits and Margin Money with Banks	33,007.23	20,211.25
• Inter-Corporate Deposits	6,350.00	2,000.00
• Interest Receivable	498.49	191.91
• Other Financial Assets	1,229.96	1,088.80
Fair Value through Profit and Loss Account		
• Investment in Mutual Funds	-	21,346.28
• Derivative- not designated as hedging instruments: - - Forward, Swap and Options	-	206.57
Financial Liabilities (Current and Non-Current)		
At Amortised cost:		
• Long Term Borrowings- Floating Rate	19,803.60	6,406.29
• Short Term Borrowings- Floating Rate	15,208.35	29,722.37
• Bills Discounted with banks	3,511.76	8,064.85
• Trade payables	31,724.32	8,616.47
• Interest accrued but not due	345.36	328.29
• Other financial Liabilities	587.01	654.84
Fair Value through Profit and Loss Account		
• Derivative - not designated as hedging instruments: - Forward, Swap and Options	754.30	-

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.

b) FAIR VALUATION TECHNIQUES:

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

1. The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost in the financial statements approximate their fair values.
2. The Company's long-term debt has been contracted at floating rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.
3. Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held.

Notes to Financial Statements for the Year Ended March 31, 2019

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. The said valuation has been carried out by the counter party with whom the contract has been entered with. Management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

c) 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, 2019:

Rs. in Lakhs

Particulars	As at March 31, 2019 (*)	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
– Investment in mutual funds	- (21,346.28)	- (21,346.28)	- -	- -
– Derivative - not designated as hedging instruments - Forward, Swap and Options	- (206.57)	- -	- (206.57)	- -
– Security and Other Deposits	763.66 (648.17)	- -	763.66 (648.17)	- -
– Inter-Corporate Deposits	6,350.00 (2,000.00)	- -	6,350.00 (2,000.00)	- -
– Fixed Deposits and Margin Money	33,007.23 (20,211.25)	- -	33,007.23 (20,211.25)	- -
Financial Liabilities				
– Long Term Borrowings- Floating Rate	19,803.60 (6,406.29)	- -	19,803.60 (6,406.29)	- -
– Derivative - not designated as hedging instruments - Forward, Swap and Options	754.30 (-)	- -	754.30 (-)	- -

(*) Figures in round brackets indicate figures as on March 31, 2018.

During the year ended March 31, 2019 and March 31, 2018, 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.

d) 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 counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

Notes to Financial Statements for the Year Ended March 31, 2019

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

	Category	Currency	As at March 31, 2019		As at March 31, 2018		Underlying Purpose
			No. of Deals	Amount US\$ in lakhs	No. of Deals	Amount US\$ in lakhs	
1	Forward	USD/INR	7	172.63	3	57.59	Supplier Credit
2	Option	USD/INR	5	187.36	8	222.41	Supplier Credit
3	Interest Rate Swap	USD	1	35.93	1	59.94	External commercial Borrowings

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

(Rs. in lakhs)

Nature	Currency	Amount in Foreign Currency	
		As at March 31, 2019	As at March 31, 2018
Suppliers Creditors and Interest	USD	-	1.38
Trade Payables	USD	-	18.29
Trade Payables	EURO	0.47	1.49
External Commercial Borrowings and Interest	USD	36.75	49.06
Trade Receivables	SGD	11.53	-

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	As at March 31, 2019	As at March 31, 2018
Not later than one month	(402.33)	57.59
Later than one month and not later than three months	(357.35)	186.51
Later than three months and not later than one year	(14.17)	71.90
Later than one year	19.55	(109.43)

e) SALE OF FINANCIAL ASSETS

In the normal course of business, the Company transfers its bills receivable to banks. Under the terms of the arrangements, the Company surrenders control over the financial assets and transfer is without recourse. Accordingly, such transfers are recorded as sale of financial assets. Gains and losses on sale of financial assets without recourse are recorded at the time of sale based on the carrying value of the financial assets. In certain cases, transfer of financial assets may be with recourse. Under arrangements with recourse, the Company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with the banks. Accordingly, in such cases the amounts received are recorded as borrowings in the statement of financial position and cash flows from financing activities.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:

(Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value of Asset transferred	Carrying value of associated liabilities	Carrying value of Asset transferred	Carrying value of associated liabilities
Trade receivables	3,511.76	3,511.76	8,064.85	8,064.85

Notes to Financial Statements for the Year Ended March 31, 2019

f) FINANCIAL RISK MANAGEMENT

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. 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:

(Rs. In lakhs)

Particulars	As at March 31, 2019			
	USD	EURO	GBP	SGD
External Commercial borrowings	2,476.47 (3,906.29)	- (-)	- (-)	- (-)
Suppliers Credit/ Buyer's Credit	21,582.02 (18,221.51)	- (-)	- (-)	- (-)
Interest accrued but not due	143.04 (190.40)	- (-)	- (-)	- (-)
Vendors	1,063.70 (1,192.05)	36.65 (119.10)	- (12.11)	- -
Total liabilities	25,265.23 (23,510.25)	36.65 (119.10)	- (12.11)	- -
Trade Receivable	- (-)	- (-)	- (-)	588.29 (0.85)

(*) Figures in round brackets indicate figures as on March 31, 2018.

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.

With all variable constant, the sensitivity analysis resulting in profit or loss arising mainly from unhedged portion of USD denominated payables are as follows:

Notes to Financial Statements for the Year Ended March 31, 2019

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Payables:		
Weakening of INR by 5%	127.06	223.96

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, 2019, substantially all of the Company's 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.

(Rs. in lakhs)

Nature of Borrowing	Rate of interest (%)	For the year ended March 31, 2019	For the year ended March 31, 2018
Rupee Loan	Increase by 50 basis point	86.64	12.50

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

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, two customers are having outstanding balance of Rs. 8,382.66 lakhs (March 31, 2018: Rs. 9,438.34 lakhs) which accounts for more than 10% of the accounts receivable as at March 31, 2019 and one customer is having more than 10% of revenue for the year ended March 31, 2019.

The Company establishes an allowance for impairment that represents its estimate of 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.

Notes to Financial Statements for the Year Ended March 31, 2019

The Company's current investments are valued 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 (Rs. in lakhs)	Weighted Average Interest Rate
INR	36,047.24 (22,065.71)	9.35%
USD	2,476.47 (22,127.80)	4.62%

(*) Figures in round brackets indicate figures as on March 31, 2018.

Maturity Analysis of Financial Liabilities:

Rs. In lakhs

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 Year	Total
Borrowings INR	32,535.48	15,208.35	-	1,750.00	15,577.13	32,535.48
Bills Discounted	3,511.76	-	3,511.76	-	-	3,511.76
Borrowings USD	2,476.47	-	830.21	830.21	816.05	2,476.47
Interest accrued but not due	345.36	-	345.36	-	-	345.36
Other Financial liabilities	1,341.31	587.01	773.85	-	(19.55)	1,341.31
Trade Payables	31,724.32	10,139.30	21,585.02	-	-	31,724.32
Total	71,934.70	25,934.66	27,046.20	2,580.21	16,373.63	71,934.70

Notes to Financial Statements for the Year Ended March 31, 2019

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:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	38,523.71	44,193.51
Less Cash and Cash Equivalents	25,723.19	20,192.95
Net Debt	12,800.52	24,000.56
Equity	1,26,239.03	1,17,878.75
Equity and Net Debt	1,39,039.55	1,41,879.31
Gearing Ratio	0.09	0.17

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.

38. Contingent Liabilities not provided for in respect of:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Guarantees given by banks on behalf of the Company.	603.06	742.28
b) 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	1,985.46	2,039.37
ii) Excise, Custom Duty & Service Tax	412.51	412.51
iii) Forest Development Fee (Note 3 below)	-	-
iv) Income Tax	37.72	37.72

Note:

- 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 (b) above is dependent upon the outcome of judgments / decisions.
- The Company has other tax disputes in appeals other than 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 since the cases have already been decided in favour of the Company and the respective departments have though preferred a further appeal to higher authorities against the said orders these have not been disclosed as contingent liabilities as the outcome of the said disputes / litigations will not result in material impact that would affect the financial position or operations of the Company.

Notes to Financial Statements for the Year Ended March 31, 2019

- 3) 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.
- 4) Hon'ble Supreme Court of India vide its judgement dated February 28, 2019 relating to components of salary structure that need to be taken into account for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any.

39. Commitments:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	3,414.26	1,394.30
b) Export obligation under EPCG Scheme	663.97	1,768.42
c) Forward Contract Outstanding in USD	12,749.99	3,753.14

40. 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.

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount remaining unpaid but not due as at year end	40.11	41.64
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

41. Capital work in progress includes Rs. 2,291.70 Lakhs (March 31, 2018: Rs. 2,976.39 lakhs), in respect of plant and equipment and other facilities to be installed and following development expenditure incurred during construction which will be allocated to respective Property, Plant and Equipment (PPE) consequently on completion thereof. The details of Development Expenditure are as follows:

(Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	PPE	Capital work in Progress	PPE	Capital work in Progress
Interest and Finance Charges	-	447.63	-	-
Less: Interest Income on Fixed Deposit	-	(332.24)	-	-
Total Development Expenditure	-	115.39	-	-

Notes to Financial Statements for the Year Ended March 31, 2019

42. 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:

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	139.55	129.40
Employer's Contribution to Pension Fund	133.47	124.54

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.

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Change in benefit obligations		
Liability at the beginning of the year	1,015.20	892.67
Interest Cost	77.66	66.23
Current Service Cost	94.63	97.11
Actuarial (gain) / loss on obligations	25.60	(12.27)
Benefits paid	(28.69)	(28.54)
Liability at the end of the year	1,184.40	1,015.20
Changes in the Fair Value of Plan Asset		
Fair value of Plan Assets at the beginning of the year	1,057.92	938.81
Expected Return on Plan Assets	81.12	71.73
Contributions by the Company	3.76	53.65
Benefits paid	(28.69)	(28.54)
Actuarial gain / (loss) on Plan Assets	1.59	22.27
Fair value of Plan Assets at the end of the year	1,115.70	1,057.92
Actual return on Plan Asset		
Expected return on Plan assets	81.12	71.73
Actuarial gain / (loss) on Plan Assets	1.59	22.27
Actual Return on Plan Assets	82.71	94.00
Amount Recognized in Balance Sheet		
Liability at the end of the year	1,184.40	1,015.20
Fair value of Plan Assets at the end of the year	1,115.70	1,057.92
Net Liability/ (Asset)	68.70	(42.72)
Components of Defined Benefit Cost		
Current Service Cost	94.63	97.11
Interest Cost	77.66	66.23

Notes to Financial Statements for the Year Ended March 31, 2019

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expected Return on Plan Assets	(81.12)	(71.73)
Total Defined Benefit Cost recognised in Profit and Loss	91.17	91.61
Remeasurements recognised in Other Comprehensive Income		
Remeasurements - Due to Financial Assumptions	(310.17)	(42.14)
Remeasurements - Due to Experience Adjustments	143.80	29.87
Remeasurements- Return on Assets	(1.59)	(22.27)
Remeasurements - Due to Demographic Assumptions	191.97	-
Remeasurements recognised in Other Comprehensive Income	24.01	(34.54)
Balance Sheet Reconciliation		
Opening Net Liability	(42.72)	(46.14)
Expenses as above	115.18	57.07
Employers Contribution	(3.76)	(53.65)
Amount Recognized in Balance Sheet	68.70	(42.72)
Percentage allocation of plan assets in respect of fund managed by insurer is as follows:		
Fund managed by Insurer	100.00%	100.00%

The Principal actuarial assumptions as at the Balance Sheet date are set out as below:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Summary of Financial Assumptions		
Discount Rate	7.76%	7.54%
Future Salary Increase	10.00%	10.00%
Salary Escalation- After Five Years	6.00%	-
Expected Return on Plan Assets	7.76%	7.54%
Summary of Demographic Assumptions		
Mortality Rate [as % of IALM (2006-08) (Mod.) Ult. Mortality Table]	100.00%	100.00%
Disability Table (as % of above mortality rate)	5.00%	5.00%
Withdrawal Rate	5.00%	5.00%
Retirement Age	60 years	60 years
Average Future Service	40.76	40.16
Weighted Average Duration	14.55	7.07

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, 2019 is given below:

(Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Privileged Leave	587.62	644.29
Sick Leave	143.26	108.85

Notes to Financial Statements for the Year Ended March 31, 2019

Notes:

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

Recognised in Other Comprehensive Income

(Rs. in lakhs)

Particulars	Gratuity
Remeasurement - Actuarial loss/(gain)	
For the year ended March 31, 2019	24.01
For the year ended March 31, 2018	(34.54)

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and, management's estimation of the impact of these risks are as follows:

a. Investment risk

The Gratuity plan is funded with LIC, accordingly the company does not have any liberty to manage the fund. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

b. Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

c. Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

d. Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Sensitivity Analysis

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended March 31, 2019		
Discount Rate	+1%	(93.93)
	-1%	104.00
Salary Growth Rate	+1%	102.09
	-1%	(93.93)
Withdrawal Rate	+1%	0.53
	-1%	(4.99)
For the year ended March 31, 2018		
Discount Rate	+1%	(51.18)
	-1%	57.02
Salary Growth Rate	+1%	51.24
	-1%	(47.06)
Withdrawal Rate	+1%	(8.72)
	-1%	9.62

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.

Notes to Financial Statements for the Year Ended March 31, 2019

History of experience adjustments is as follows:

Rs. in Lakhs

Particulars	Gratuity
For the year ended March 31, 2019	
Plan Liabilities - (loss)/gain	(25.60)
Plan Assets - (loss)/gain	1.59
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 2019 to 31 Mar 2020	72.34
01 Apr 2020 to 31 Mar 2021	72.53
01 Apr 2021 to 31 Mar 2022	76.04
01 Apr 2022 to 31 Mar 2023	72.45
01 Apr 2023 to 31 Mar 2024	58.09
01 Apr 2024 onwards	2,325.95

Average No. of employees:

Particulars	As at March 31, 2019	As at March 31, 2018
Average no. of people employed	1327	1310

43. 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.

44. 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 March 31, 2019 the net exchange difference loss of Rs. 262.16 lakhs (March 31, 2018: Rs. 203.87 lakhs gain) on foreign currency loans have been adjusted in the carrying amount of fixed assets. The un-amortised balance in this respect is Rs. 2,476.47 lakhs (March 31, 2018: Rs. 3,909.01 lakhs).

45. Related party disclosure as identified by the management in accordance with the Ind AS 24 on 'Related Party Disclosures' are as follows:

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 (Ceased to be a director w.e.f. Jan, 31, 2019)
- 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 (Ceased to be a director w.e.f. Jan, 31, 2019)
- vi. Shri. R. K. Khanna, Director
- vii. Smt. S. Hemamalini, Director
- viii. Smt. Priya Manjari Todi, Director
- ix. Shri T. Venkatesan, Director
- x. Shri Ashutosh Agarwal, Director
- xi. Shri. Solomon Arokia Raj, Director
- xii. Smt. Madhu Agarwal, Relative of Director

Notes to Financial Statements for the Year Ended March 31, 2019

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

Rs. in Lakhs

DESCRIPTION	KMP	Enterprise where KMP and/or Close member of the family have significant influence or control	Outstanding As at 31st March 2019	Outstanding As at 31st March 2018
Sales:				
Electrosteel Castings limited	-	10,730.54	1,468.54	2.88
	-	(1,798.34)		
Purchases:				
Electrosteel Castings limited	-	284.19	-	-
	-	(404.03)		
Remuneration/Commission/Sitting Fees				
Shri. G. Maruti Rao	5.30	-	-	6.00
	(12.15)			
Shri. Mayank Kejriwal	790.00	-	790.00	870.00
	(870.00)			
Shri. S Y Rajagopalan	6.35	-	-	6.00
	(12.55)			
Shri. R K Khanna	12.10	-	6.00	6.00
	(11.85)			
Smt. S. Hemamalini	7.35	-	6.00	6.00
	(9.95)			
Shri. G. S. Rathi	201.23	-	30.00	30.00
	(194.31)			
Smt. Priya Manjari Todi	67.70	-	65.00	6.00
	(6.45)			
Shri. V Poyyamozhi	139.41	-	15.00	-
	(123.44)			
Shri T. Venkatesan	6.45	-	6.00	-
	-			
Shri Ashutosh Agarwal	8.25	-	6.00	-
	-	-		
Professional Services				
Shri. R K Khanna	39.24	-	-	--
	-			
Shri Ashutosh Agarwal	15.00	-	-	-
	-			
Smt. Madhu Agarwal	15.00	-	-	-
	-			
Rent paid:				
Amit Trexim Private Limited	-	6.79	-	-
		(6.42)		
Global Exports Limited	-	23.36	-	-
		(23.21)		
Reimbursement of Expenses:				
Electrosteel Castings Limited	-	12.02	-	-
		(13.67)		
Interest received				
Electrosteel Castings Limited	-	230.13	-	-
		-		
Advances against Supply				
Electrosteel Castings Limited	5,000.00	-	4,816.84	-
	-	-	-	-
Security Deposits				
Amit Trexim Private Limited	-	-	3.00	3.00
Global Exports Limited	-	-	15.00	15.00

Notes to Financial Statements for the Year Ended March 31, 2019

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

(Rs. in lakhs)

Period	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	1,244.06	1,231.93
Post-employment benefits	18.69	17.46
Other long-term benefits	-	-

Note:

- The above related party information is as identified by the management and relied upon by the auditor
 - All transactions from related parties are made in ordinary course of business. For the year ended March 31 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
 - In respect of above parties, there is no provision for doubtful debts as on March 31, 2019 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/paid on retirement/resignation of services but does not include provision made on actuarial basis as the same is available for all the employees together.
- 46.** Lease payments in respect of land, Plant and Equipment including Railway Siding taken on operating lease terms, are recognised as an expense on straight line basis over the lease term. The Company does not have the right to sub-let the said assets. The company has an option to renew the said lease after the expiry of initial period of upto 99 years from the date of agreement, at such rent as may then be fixed by the lessor. The Company does not have an option to purchase the said assets at the expiry of the lease period.

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

(Rs. in lakhs)

Period	As at March 31, 2019	As at March 31, 2018
Not later than one year	300.89	300.57
Later than one year and not later than five years	1,489.50	1,487.92
Later than five years	1,615.82	1,908.28

Further to above, the Company has certain operating lease arrangements for office, transit houses etc. with tenure extending upto 3 years. Term of certain lease arrangements includes deposit/refund of security deposit etc. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Statement of Profit and Loss account amounts to Rs. 127.57 lakhs (March 31, 2018: Rs. 129.33 lakhs).

Notes to Financial Statements for the Year Ended March 31, 2019

47. Earnings Per Share (EPS):

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit after taxes as per Statement of Profit and Loss (Rs. in lakhs)	11,753.73	14,740.15
Weighted average number of equity shares for basic EPS and diluted EPS (Face value Rs.10/- per equity share)	4,66,98,400	4,15,49,547
Earnings Per Share:		
Basic and Diluted EPS (in Rs.)	25.17	35.48
Reconciliation of the Weighted Average number of Equity Shares considered for the purpose of Diluted Earnings Per Share		
Weighted Average no. of Equity Shares as on December 27, 2017	-	2,95,23,108
Qualified Institutional Placement on December 28, 2017	-	1,20,26,439
Weighted average number of equity shares in calculating basic and diluted EPS	-	4,15,49,547

48. The Company had allotted on December 28, 2017, 6,934,812 equity shares of Rs. 10.00 each at a premium of Rs. 350.50 per share amounting to Rs. 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:

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	21,848.07	-
Amount received against QIP Issue	-	25,000.00
Amount available	21,848.07	25,000.00
Less: Utilisation		
Share Issue expenses (adjusted against Securities Premium account in terms of Section 52 of Companies Act, 2013)	-	559.25
Capital expenditure including capital advances	1,372.59	1,563.13
Repayment of Long Term Debt	4,183.60	1,029.55
Working Capital and General Corporate Purposes	11,686.85	-
Amount kept with Banks in Fixed Deposits and with Mutual funds	4,605.03	21,848.07

49. Previous year figures have been re-grouped / re-arranged wherever necessary.

50. These financial statements have been approved by the Board of Directors of the Company on May 08, 2019, for issue to the shareholders for their adoption.

As per our report of even date

For and on behalf of the Board

For Lodha & Co,
Chartered Accountants
Firm Registration No. 301051E

R. K. Khanna
Chairman
DIN: 05180042

G. S. Rathi
Whole Time Director
DIN: 00083992

R. P. Singh
Partner
Membership No. 52438

Place: Chennai.
Date: May 08, 2019.

N. Sivalai Senthilnathan
Chief Financial Officer

G. Kodanda Pani
Company Secretary

SRIKALAHASTHI PIPES LIMITED

Regd. Office: Rachagunneri – 517641, Srialahasthi Mandal, Chittoor District, A.P. India
Phone: 08578-286650-55, Website : www.srialahasthipipes.com, E-mail : companysecretary@srialahasthipipes.com
CIN : L74999AP1991PLC013391

NOTICE

NOTICE is hereby given that Twenty Seventh Annual General Meeting of Srialahasthi Pipes Limited will be held at the Registered Office of the Company at Rachagunneri, Srialahasthi Mandal, Chittoor District, Andhra Pradesh on Friday, the 6th day of September, 2019 at 12.00 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as at 31st March, 2019 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 Mr G.S. Rathi (DIN: 00083992) 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 Rs.1,60,000 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, 2020.

"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 Mr T. Venkatesan (DIN: 00124050) 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) Mr T. Venkatesan (DIN: 00124050) who has been appointed by the Board of directors as Additional Director of the Company and who holds office as such up to 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 appointment of Mr T. Venkatesan (DIN: 00124050) as Independent Director of the Company for a term of five years:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, Mr T. Venkatesan (DIN: 00124050), a non-executive Director of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company to hold office for five years with effect from January 31, 2019 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013, and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and/or Committees and profit related commission in terms of applicable provisions of the Companies Act, 2013, as determined by the Board from time to time.

"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 re-appointment of Mr R.K. Khanna (DIN 05180042) as Independent Director for the 2nd term of five years:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr R.K. Khanna (DIN 05180042), a non-executive Director of the Company, who is eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for a 2nd term of five consecutive years with effect from 27th September, 2019 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and/or Committees and profit related commission in terms of applicable provisions of the Companies Act, 2013, as determined by the Board from time to time"

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.

8. To approve revision in the terms of remuneration payable to Mr V. Poyyamozhi (DIN 07887406), 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 25th Annual General Meeting of the Company held on 27th September, 2017 for appointment and payment of remuneration of Mr V. Poyyamozhi (DIN 07887406), Whole-time Director, 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 2018-19, 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."

9. To approve re-appointment of Mr G.S. Rathi (DIN:00083992) as Whole-time Director of the Company for a period of five years with effect from 1st July, 2020:

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

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr Gouri Shankar Rathi (DIN:00083992) as Whole-time Director of the Company for a period of five years, liable to retire by rotation, with effect from 1st July, 2020, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice.



"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"

By Order of the Board
For Srikalahasthi Pipes Limited

G. Kodanda Pani
Company Secretary

Place: Chennai.
Dated: 22nd July, 2019

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 31st August, 2019 to 6th September, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the FY 2018-19. The cut-off date for determining voting rights for e-voting on resolutions that will be listed for Annual General Meeting will be 30th August, 2019.
4. Dividend in respect of equity shares for the financial year ended 31st March, 2019, 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 30th August, 2019 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 Fintech Private Limited, 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, if any, for the financial years 2011-12 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
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	28.09.2023
2016-17	6.00	27.09.2017	26.10.2024
2017-18	6.00	19.09.2018	18.10.2025

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 and as per the requirements of the SEBI (LODR) Regulations 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means through e-Voting Services provided by Karvy Fintech Private Limited. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 30th August, 2019 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 3rd September, 2019 and will end at 5.00 p.m. on 5th September, 2019. 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/ instructions given hereinafter.

Procedure/Instructions for remote e-voting :

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

- i. To use the following URL for e-voting:
<https://evoting.karvy.com>
- ii. Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 30th August, 2019, may cast their vote electronically.
- iii. Enter the login credentials (i.e. User ID and Password). The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the Password change menu wherein you are required to mandatorily change your 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. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e., Sri Kalahasthi Pipes Limited.

- viii. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
- ix. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- x. 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. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- xi. Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- xii. The Portal will be open for voting from 9.00 a.m. on 3rd September, 2019 and close at 5.00 p.m. on 5th September, 2019.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <http://evoting.karvy.com> or contact Toll Free No. 18003454001.
- xiv. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: schid285@gmail.com. They may also upload the same in the e-voting module in their login. 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:

- i) Please use the User ID and initial password as provided at the bottom of the Attendance Slip.
 - ii) Please follow all steps from Sr. No. (i) to (xiv) as mentioned in (A) above, to cast your vote.
2. The facility for voting through polling paper shall be made available at the Annual General Meeting (the "meeting") and the members attending the meeting who have not cast their votes by remote e-voting shall be able to exercise their right to vote at the meeting.
 3. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
 4. The Board of Directors of the Company has appointed Mr S. Chidambaram, Practicing Company Secretary, as scrutinizer to scrutinize the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
 5. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 30th August, 2019.
 6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 30th August, 2019 only shall be entitled to avail the facility of remote e-voting/ voting at the meeting.
 7. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the USER ID and Password in the manner as mentioned below:
 - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> E-Voting Event number+ Folio No. or DP ID Client ID to 9212993399
 Example for NSDL : MYEPWD <SPACE> IN12345612345678
 Example for CDSL : MYEPWD <SPACE> 1402345612345678
 Example for Physical : MYEPWD <SPACE> XXX1234567890
 - b. If e-mail address or mobile number of the member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c. Member may call Karvy's toll free number 1-800-3454-001
 - d. Member may send an e-mail request to einward.ris@karvy.com
 8. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
 9. The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than two days of conclusion of the meeting, make a consolidated Scrutinizer's Report and submit the same to the Company. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.srikalahasthipipes.com, on the website of the Karvy at <https://evoting.karvy.com> and shall simultaneously be communicated to the Stock Exchanges within 48 hours of conclusion of the Annual General Meeting.

By Order of the Board
For Srikalahasthi Pipes Limited

G. Kodanda Pani
Company Secretary

Place: Chennai.

Dated: 22nd July, 2019

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, 2020 at a remuneration of Rs.1,60,000 (Rs. One Lakh Sixty 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, 2020.

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, Mr T. Venkatesan was appointed as an Additional Director on the Board of the Company with effect from 31st January, 2019 to hold office upto the date of this Annual General Meeting.

Shri T Venkatesan is a graduate in Economics and a member of the Institute of Chartered Accountants of India. He has over 40 years of experience in Sugar, Power, Automobile, Metals and Cement industries. While Shri T.Venkatesan has worked in large Corporates like, Eicher Tractors, Triveni Engg Works Ltd., AV Birla Group and Vedanta Ltd, his last stint prior to Dalmia Bharat Ltd was in Vedanta Group as CEO, Sterlite Industries and CEO and wholetime Director of Vedanta Alumina Ltd. He joined Dalmia Group as CEO & Wholetime Director of Dalmia Cement Bharat Ltd., in 2006 and now continues as a Board member both in Dalmia Cement Bharat Ltd and Dalmia Bharat Sugar and Industries Ltd.

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 Mr T. Venkatesan as a Director of the Company.

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

Except Mr T. Venkatesan, 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:

The Board of Directors, based on the recommendation of the Nomination & Remuneration Committee appointed Mr T. Venkatesan as Independent Director on the Board of the Company with effect from 31st January, 2019 to hold office for a period of five consecutive years. The Nomination and Remuneration Committee and the Board of Directors consider that, given the background and experience of Mr T. Venkatesan, it would be beneficial to the Company to avail his services as an Independent Director. The Board of Directors, therefore has recommended appointment of Mr T. Venkatesan as an Independent Director term of five consecutive years on the Board of the Company.

Shri T Venkatesan is a graduate in Economics and a member of the Institute of Chartered Accountants of India. He has over 40 years of experience in Sugar, Power, Automobile, Metals and Cement industries. While Shri T.Venkatesan has worked in large Corporates like, Eicher Tractors, Triveni Engg Works Ltd., AV Birla Group and Vedanta Ltd, his last stint prior to Dalmia Bharat Ltd was in Vedanta Group as CEO, Sterlite Industries and CEO and wholetime Director of Vedanta Alumina Ltd. He joined Dalmia Group as CEO & Wholetime Director of Dalmia Cement Bharat Ltd., in 2006 and now continues as a Board member both in Dalmia Cement Bharat Ltd and Dalmia Bharat Sugar and Industries Ltd.



A Declaration has been received from Mr Venkatesan that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr Venkatesan fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for appointment as an Independent Director and that he is independent of the management of the Company. In addition to sitting fees for attending the meetings of the Board and its Committees, Mr Venkatesan would be entitled to remuneration by way of commission as may be determined by the Board. Consent of the Members by way of Ordinary Resolution is required for appointment of Mr Venkatesan, in terms of Section 149 of the Act.

In terms of Regulation 36 of the Listing Regulations 2015, a brief profile of Mr T. Venkatesan, who is proposed to be appointed as independent director in this meeting for a term of five years in terms of the applicable provisions of the Act, nature of his expertise in specific functional areas, other directorships and committee membership are at the end of the explanatory statement.

Copy of draft letter of appointment of Mr T. Venkatesan setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

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 an ordinary resolution.

Except Mr T. Venkatesan, none of the other directors or key managerial personnel of the Company or their relatives, except to the extent of their 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:

The Members at the Annual General Meeting held on 27th September, 2014 approved the appointment of Mr R.K. Khanna as an Independent Director of the Company for a period of five years with effect from the said date. Mr Khanna will complete his present term on 26th September, 2019. The Board of Directors of the Company ('the Board') at the meeting held on 8th May 2019, on the recommendation of the Nomination & Remuneration Committee, approved re-appointment of Mr R.K. Khanna as independent director for a 2nd term of five years with effect from 27th September, 2019 and recommended the same for the approval of the shareholders, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

Mr.R.K.Khanna is a Graduate in Management – Finance and holds Post Graduate Diploma in Marketing & Sales Management from FMS, Delhi University and has done Certification Course in Infrastructure & Housing Finance from Wharton School of Management, USA. He has rich experience in Financial Management and Banking operations, besides sales and marketing. He served as Dy.Chief of Finance in National Building Construction Corporation Limited, New Delhi. In his long stint of 25 years with HUDCO, he held senior Management positions viz. Executive Director and Sr.Executive Director and contributed for the business development of Western/Eastern/North Eastern Zones.

The Board is of the view that the continued association of Mr Khanna would benefit the Company, given the knowledge, experience and performance of Mr Khanna, and his valuable contributions made during his tenure. A Declaration has been received from Mr Khanna that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Khanna fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company. In addition to sitting fees for attending the meetings of the Board and its Committees, Mr Khanna would be entitled to remuneration by way of commission as may be determined by the Board. Consent of the Members by way of Special Resolution is required for re-appointment of Mr Khanna, in terms of Section 149 of the Act.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Mr Khanna has been received by the Company, and consent has been filed by Mr R.K. Khanna pursuant to Section 152 of the Act.

In terms of Regulation 36 of the Listing Regulations 2015, a brief profile of Mr R.K. Khanna, who is proposed to be appointed as independent director in this meeting for the 2nd term of five years in terms of the applicable provisions of the Act, nature of his expertise in specific functional areas, other directorships and committee membership are at the end of the explanatory statement.

Copy of draft letter of appointment of Mr R.K. Khanna setting out the terms and conditions of appointment is available for inspection by the members at the registered office 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 special resolution.

Except Mr R.K. Khanna, none of the other directors or key managerial personnel of the Company or their relatives, except to the extent of their 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.

Item No.8:

It may be recalled that Mr V. Poyyamozhi was appointed as Whole-time Directors of the Company with effect from 10th August, 2017 at the meeting of the shareholders held on 27th September, 2017 as per the terms of remuneration approved by the shareholders in the said Annual General Meetings of the Company.

The Company, during the FY 2017-18 and 2018-19, has achieved significant growth with its turnover crossing Rs.1500 crores. Mr V. Poyyamozhi, 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 8th May, 2019, 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 2018-19, 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.8 of the Notice above by way of ordinary resolution.

Except Mr V. Poyyamozhi, 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.8 of the Notice.

Item No.9:

Based on the recommendation of Nomination and Remuneration Committee and the approval of the Board of directors, the shareholders at the Annual General Meeting of the Company held on 24th August, 2015 had approved appointment of Mr G.S. Rathi as Whole-time director of the Company for a period of five years, liable to retire by rotation with effect from 1st July, 2015. His present term would be expiring on 30th June, 2020.

Mr. G. S. Rathi aged about 70 years is a Graduate in Commerce from Bhagalpur University, Bihar, Law graduate from Calcutta University and a qualified Company Secretary. He worked as Executive Director of Electrosteel Castings Limited (ECL) and was looking after the working of Elavur Unit of Electrosteel, besides marketing and sales of ECL in Southern and Western Regions of India. He has expertise in business administration, marketing and actively involved in the management of day to day operations of the Company. He earlier worked as Vice President- cum- Company Secretary of Vidula Chemicals & Manufacturing Industries, a Birla Group Company and implemented a Greenfield Chemical Project near Kolkata. During his present tenure as Whole-time director of the Company, he provided dedicated and meritorious services and made significant contribution to the overall growth of the Company. He holds 18194 shares of the Company constituting 0.039% of the overall equity share capital of the Company.

Both the Nomination and Remuneration Committee and the Board were of the opinion, after evaluation of his performance and other attributes, that his continued full time association would be of immense benefit to the Company and it is desirable to avail his services as a whole-time director for a term of five years with effect from 1st July, 2020 on the terms and conditions of as set out below:-

Proposed Remuneration and other terms of appointment of Mr G.S. Rathi: (From 1st July, 2020 to 30th June, 2025)

Particulars	Proposed
Basic Salary	Rs.4,55,000/- p.m. in the grade of Rs.4,55,000-25,000-5,55,000/-
Special Allowance	Rs.6,64,500/- p.m. in the grade of Rs.6,64,500-10,000-7,04,500/-
HRA	60% of Basic
Electricity Charges at Residence	At Actuals
Medical Reimbursement	As per Company Policy
L T A	As per Company Policy
Leave	As per Company Policy

Club Fees	Fees of a maximum of two clubs excluding admission & life membership fees.
Car & Telephone	Provision of a car for use on the Company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
Personal Accident & Term Insurance	Premium not to exceed Rs.10,000 per annum.
Mediclaime Policy	As per Company Policy
Encashment of Leave	In accordance with the Company's rules and regulations.
Contribution to Retiral Benefit Funds	The Company's contribution to Provident Fund as applicable to other employees. Gratuity in accordance with the Gratuity Fund Rules.
Other benefits, amenities and facilities	In accordance with the Company's rules and regulations.
Profit related commission	Not exceeding 0.5% of the net profits of the Company as computed under Sections 197 and 198 of the Companies Act, 2013, subject to a maximum amount to be decided by the Board every year starting from the FY 2020-21 till expiry of his term of appointment

Others:

Subject to overall remuneration mentioned hereinabove, the Whole-time Director may be given any other allowances, benefits and perquisites as the Board may approve from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

For the purpose of eligibility of perquisites "family" means the spouse, the dependent children and dependent parents of the Whole-time Director.

Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the director, the Company will pay salary, perquisites and other allowances as specified above as the minimum remuneration.

General :

Subject to the overall superintendence, direction and control of the Board of Directors, the Whole-time Director shall be responsible for the management of the affairs of the Company and be accountable to the Board of Directors.

The aforesaid appointment may be terminated by either party by giving to the other, one months' notice in writing.

The Whole-time director shall be liable to retire by rotation, provided that such retirement shall not, if he is re-appointed at the same meeting at which he retires by rotation, affect his appointment as the Whole-time Director of the Company which shall continue to be for a period of five years with effect from 1st July 2020.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr G.S. Rathi under Section 190 of the Companies Act, 2103.

In terms of Regulation 36 of the Listing Regulations 2015, a brief profile of Mr G.S. Rathi who is proposed to be re-appointed as Whole-time director in this meeting for a term of five years in terms of the applicable provisions of the Act, nature of his expertise in specific functional areas, other directorships and committee memberships are at the end of the explanatory statement.

The Board of Directors of the Company, therefore, recommends passing of the resolutions as set out in Item No.9 of the Notice above by way of special resolution.

Except Mr 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.9 of the Notice.

By Order of the Board
For Srikalahasthi Pipes Limited

Place: Chennai.
Dated: 22nd July, 2019

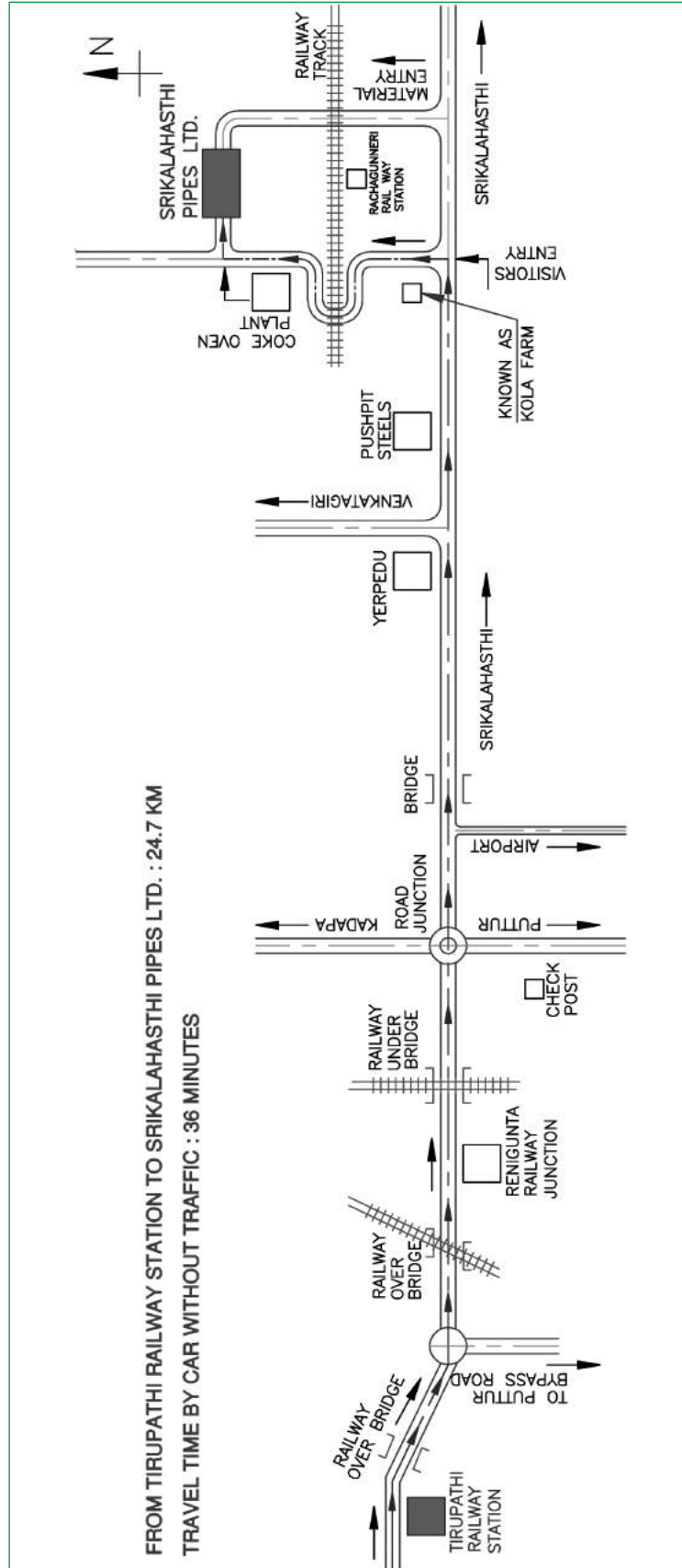
G. Kodanda Pani
Company Secretary

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)	Mr. G.S. Rathi (1)	Mr T. Venkatesan (2)	Mr R.K. Khanna (3)
Date of Birth	9th January, 1950	4th October, 1952	19th October, 1952
DIN	00083992	00124050	05180042
Date of appointment	1st July, 2015	31st January, 2019	27th September, 2014
Qualifications	B.Com (Hons.), FCS, LLB.	Graduation in Economics, Member of The Institute of Chartered Accountants of India	Graduate in Management – Finance, Post Graduate Diploma in Marketing & Sales Management from FMS, Delhi University
Brief Profile	Mr. G. S. Rathi is a Graduate in Commerce from Bhagalpur University, Bihar, Law graduate from Calcutta University and a qualified Company Secretary. He worked as Executive Director of Electrosteel Castings Limited (ECL) and was looking after the working of Elavur Unit of Electrosteel, besides marketing and sales of ECL in Southern and Western Regions of India. He has expertise in business administration, marketing and actively involved in the management of day to day operations of the Company. He earlier worked as Vice President- cum- Company Secretary of Vidula Chemicals & Manufacturing Industries, a Birla Group Company and implemented a Greenfield Chemical Project near Kolkata.	Mr T. Venkatesan is a graduate in Economics and a member of the Institute of Chartered Accountants of India. He has over 40 years of experience in Sugar, Power, Automobile, Metals and Cement industries. While Shri T.Venkatesan has worked in large Corporates like, Eicher Tractors, Triveni Engg Works Ltd., AV Birla Group and Vedanta Ltd, his last stint prior to Dalmia Bharat Ltd was in Vedanta Group as CEO, Sterlite Industries and CEO and wholetime Director of Vedanta Alumina Ltd. He joined Dalmia Group as CEO & Wholetime Director of Dalmia Cement Bharat Ltd., in 2006 and now continues as a Board member both in Dalmia Cement Bharat Ltd and Dalmia Bharat Sugar and Industries Ltd.	Mr.R.K.Khanna is a Graduate in Management – Finance and holds Post Graduate Diploma in Marketing & Sales Management from FMS, Delhi University and has done Certification Course in Infrastructure & Housing Finance from Wharton School of Management, USA. He has rich experience in Financial Management and Banking operations, besides sales and marketing. He served as Dy.Chief of Finance in National Building Construction Corporation Limited, New Delhi. In his long stint of 25 years with HUDCO, he held senior Management positions viz. Executive Director and Sr.Executive Director and contributed for the business development of Western/ Eastern/North Eastern Zones.
Directorship in other Public Limited Companies.	-	1. Dalmia Bharat Sugar and Industries Limited 2. Dalmia Cement Bharat Limited	-
Shareholding	18194 shares	Nil	Nil
Membership in other Board Committees :			
1) Audit Committee	-	---	---
2) Nomination & Remuneration Committee	-	--	--
3) Stakeholders' Relationship Committee	-	--	--

ROUTE MAP OF AGM VENUE





New Coke Oven 4 with new quenching Tower



Our Director Ms. Priya Manjari Todi with the recipients of Performance Excellence Award for the year 2018



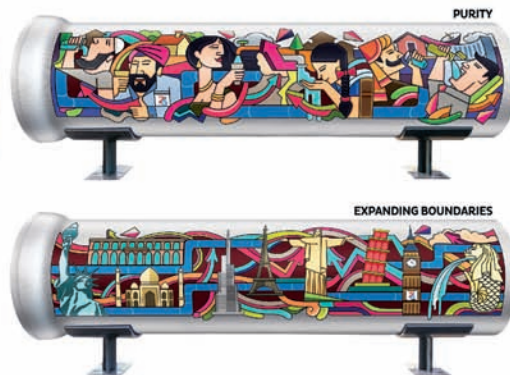
CELEBRATING MILESTONES THROUGH MASTERPIECES



It all began when we asked for participation, and entries just started pouring in! Having selected our best artists, we gave them themes to paint under the able guidance of a professional artist. What followed were these beautiful expressions of art and creativity on our pipes.

We have given these art installations pride of place at our establishments, where they will be preserved for posterity. These pieces of art stand testimony to the pioneering spirit that makes us who we are.

#technologythatcares



At Electrosteel, we are celebrating 25 years of pioneering Ductile Iron Pipes in India.

To celebrate our glorious journey, we initiated the "Inspiration Canvas" – an art project that uses our pipes as a canvas to depict our values of **Trust, Innovation, Responsibility, Purity and Expanding Boundaries.**



Srikalahasthi Pipes Limited

Regd. Office & Works

Rachagunneri - 517 641, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh