INSPIRING GROWTH

SRIKALAHASTHI PIPES LIMITED

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Website : www.srikalahasthipipes.com, CIN : L74999AP1991PLC013391

SPL/SECY/SE/2020-21 June 18, 2020

To,
BSE Ltd.
Floor 25,P.J.Towers,
Dalal Street,
Mumbai – 400 001
(Security Code : 513605)

To,
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
(Symbol : SRIPIPES)
Dear Sirs,

Sub: Disclosure of material impact of COVID - 19 pandemic on the Company as per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20" May, 2020

Dear Sirs,

With reference to the above cited SEBI Circular read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, disclosure regarding the material impact of COVID – 19 pandemic on the operations of the Company and the current status is enclosed herewith.

We request you to treat this as disclosure under Regulation 30 of SEBI Listing Regulations, 2015 and take the same on record.

Thanking you,

Yours faithfully,

For **SRIKALAHASTHI PIPES LIMITED**

G. KODANDA PANI
COMPNAY SECRETARY

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COVID-19 PANDEMIC SITUATION-UPDATE ON OPERATIONS

Pursuant to Regulation 30(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the disclosures, subject to the application of materiality, are as given below:

1. **Impact of the COVID-19 pandemic on the business:**

Due to nationwide lock down declared by the Government of India starting from the end of March, 2020, the Company has suspended operations of its integrated plant from 24th March, 2020. The company has lost more than a month's production due to suspension of the operations following nationwide lockdown. Though, production has started in a phased manner from 1st week of May, 2020, but due to absenteeism consequent to the nationwide lockdown, normal production is affected. The company is hopeful that normal production will be established from the 2nd quarter of the current financial year.

2. **Ability to maintain operations including the factories/units/ office spaces functioning and closed down:**

The Company was able to resume its operations at its integrated plant situated in Rachaguneri, Srikalahasthi Mandal of Andhra Pradesh from 1st week of May, 2020 in a phased manner.

3. **Schedule, if any, for restarting the operations:**

Please refer point 2 above.

4. **Steps taken to ensure smooth functioning of operations:**

The Company has taken all requisite precautions and is adhering to complete safety measures to ensure the safety and well-being of its employees and other stakeholders during resumption of operations at the manufacturing unit as well as its marketing offices by keeping in place a well defined Standard Operating Procedure, duly considering the Govt. advisories and hygiene guidelines like regular hand sanitization, social distancing, temperature checks through infrared thermometers, mandatory wearing of face masks, travel restrictions etc, to help fight the spread of COVID 19 pandemic.

5. **Estimation of the future impact of COVID-19 on its operations:**

Due to non operation of the plant during April'20 and lower rate of production in May and June'20, due to absenteeism consequent to the nationwide lockdown, the estimated impact for 1st quarter of FY 2020-21 in terms of production loss would be around 50,000 MT and EBITDA loss of around INR 40 crores. It is difficult to estimate full impact beyond June, 2020, at this stage, as how things will get normalised depends upon many variables caused by COVID-19 and resultant disruptions.

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6. Details of impact of COVID-19 on listed entities:

a) **Capital and financial resources** : There is no impact on capital and financial resources.

b) **Profitability** : As mentioned in point 5 above.

c) **Liquidity position**: The Company has adequate liquidity with adequate banking limits and sufficient internal accruals.

d) **Ability to service debt and other financing arrangements** : The Company is maintaining comfortable liquidity position. Hence the Company is in a position to service its debt and other financial obligations as per schedule.

e) **Assets** : There has been no impact on the fixed assets, debtors, inventory and all assets continue to be at fair value.

f) **Internal Financial reporting and control** : Internal financial reporting and controls have been adequately maintained.

g) **Supply Chain** : As regards supply of certain essential items required for the day to day operations of the plant is concerned, there is delay in receipt of certain materials coming from distant places which is being substituted with material available from the nearby sources for the time being. However, the existing supply chain and availability of materials is adequate for the current level of operations of the plant. Supply of certain essential items from overseas markets has also resumed.

h) **Demand for its products and services** : The company is having comfortable order book for supply of Ductile Iron pipes. During this Covid-19 situation, safe and hygienic water supply is most important for the Government. Ductile Iron pipe is the safest and most suitable pipe for transportation of water not only in urban cities but also in rural India. The company is hopeful that Central and State Government will continue to give priority and remain committed in respect of ongoing and future water supply, sewerage and irrigation projects in the country.

i) **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on Company's business:** The Company is well positioned to fulfil its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party. This is based on the assumption that there are no further stoppages in the business due to ongoing COVID-19 pandemic situation.

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j) **Annual Audited Accounts — FY 20** : The Board of Directors of the Company at its meeting held on 1st June, 2020 has approved the audited financial results for the quarter and year ended 31st March, 2020 and also the audited accounts for the FY 2019-20. The Company has filed the audited financial results with the stock exchanges in which it is listed.

k) Other relevant material updates about the Company's business:
Supply chain has been affected in terms of supply of machinery and equipment in connection with the ongoing expansion projects of the Company. As most of the equipment are to be imported, there was a delay of about six months in the execution of these projects. Further, due to increasing spread of COVID-19 across the globe as well as in India, it is anticipated that the schedule of these projects may get affected further, due to delay in receipt of machinery, erection & commissioning engineers visit due to VISA regulations/ protocols resulting in further delay in completion of these projects.

For **SRIKALAHASTHI PIPES LIMITED**

G. KODANDA PANI
COMPNAY SECRETARY