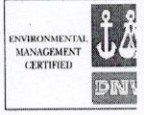




SRIKALAHASTHI PIPES LIMITED



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

SPL/SECY/SE/2017-18

November 04, 2017

The Manager-Dept. of Corporate Services
BSE Ltd.

Regd. Off: Floor 25, P.J.Towers
Dalal Street
Mumbai – 400 001
Scrip Code : 513605

The Manager-Dept. of Corporate Services
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Symbol : SRIPIPES

Dear Sir,

Sub: Analyst Meet/Conference call presentation.

Further to our letter dated 3rd November, 2017 intimating the schedule of Conference Call held by the Company, we are enclosing herewith detailed presentation made in this regard covering H1/Q2 FY 2017-18 performance of the Company.

This may be treated as disclosure under Regulation 46 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,

For **SRIKALAHASTHI PIPES LIMITED**

Earnings Presentation
H1 / Q2-FY18

Executive Summary

Overview

- Srikalahasthi Pipes Ltd. (SPL) was incorporated in 1991, the company entered into a strategic alliance with Electrosteel Group in 2002, India's leading DI Pipe manufacturer.
- The company has adopted its name from the area of its manufacturing facility, which is located in Rachagunneri, Srikalahasthi Mandal, Tirupati
- The company got Listed on BSE in 1994 and in NSE in 2007 and has a current market capitalization of approximately INR 14 Bn

Business Mix

- **DI Pipes** : Capacity – 300,000 TPA
- **Pig Iron** : Capacity - 275,000 TPA
- **Coke** : Capacity - 225,000 TPA
- **Cement** : 90,000 TPA
- **Power** : 2 Captive Power Plants with a total capacity of 14.5 MW

FY17 Financials

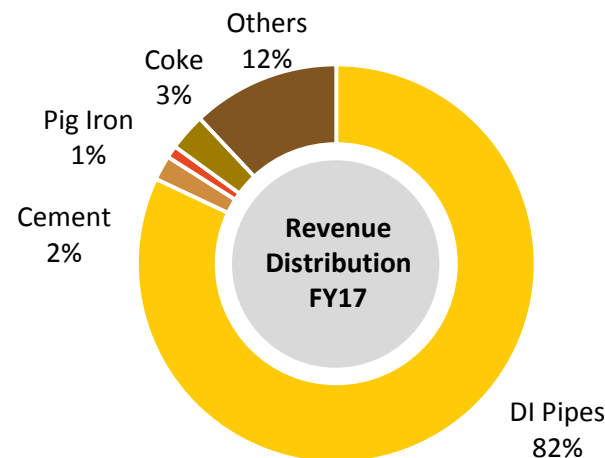
Total Income* - **INR 12,339 Mn**
EBITDA - **INR 2,674 Mn**
EBITDA Margin - **21.7 %**
Net Profit - **INR 1,402 Mn**

Clients

- SPL 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 the Marquee clients include: Larsen & Toubro, Nagarjuna Construction Corporation, Indian Hume Pipes Ltd, VA Tech Wabag Ltd, Sriram EPC Ltd etc.

Company Overview

- ❖ Srialahasthi Pipes Limited “SPL” was established in 1991 to manufacture Pig Iron.
- ❖ SPL’s plant is located at Rachagunneri, Srialahasthi, Chittoor District, Andhra Pradesh near Tirupati and its key products include DI Pipes, Pig Iron, Cement.
- ❖ SPL is categorized as Public Utility Services Company by Govt. of Andhra Pradesh
- ❖ The company has a fully 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.
- ❖ In March 2002, India’s leading DI Pipes manufacturer, Electrosteel Castings Ltd (ECL), entered into a strategic alliance with SPL.
- ❖ 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.
- ❖ SPL is one of the top players in the DI pipe industry in India, and commands around 15% market share across India and around 70% in South which it primarily caters to.
- ❖ Together the Electrosteel group commands around 40% market share of the Indian DI Pipes Market.



Electrosteel Group Structure

Electrosteel Castings Ltd.

Srialahasthi
Pipes Ltd.(49%)

❑ Q2-FY18 Financial Performance:

- Total Income : INR 3,456 Mn
- EBITDA: INR 712 Mn
- EBITDA Margin: 20.60 %
- PAT: INR 372 Mn
- PAT Margin: 10.76 %
- EPS: INR 9.34 / equity share

❑ H1-FY18 Financial Performance:

- Total Income : INR 7,923 Mn
- EBITDA: INR 1,417 Mn
- EBITDA Margin: 17.88%
- PAT: INR 736 Mn
- PAT Margin: 9.29 %
- EPS: INR 18.50 / equity share

- The PBT for the quarter ended 30th September, 2017 is higher at Rs.51.46 crores vis-a-vis Rs.35.27 Crores registered in the corresponding quarter ended 30th September, 2016.
- Although the volatility of coking coal prices in global market is continuing, during the quarter under review, the prices marginally eased compared to the immediate preceding quarter ended June, 2017. The Company has taken necessary action in this regard and does not foresee any major impact in coal prices affecting the profitability in the next two quarters.
- As a part of cost reduction measure, the company has entered into a 15 year contract with M/s. Praxair India Private Limited, Bangalore, for installation of vacuum pressure swing absorption (VPSA) plant in the premises of the Company to produce oxygen gas @ 1050 M3 / hour which has been commissioned to produce oxygen for enrichment in its blast furnace. This will enable increasing productivity of manufacturing process in Blast Furnace.
- As part of capacity expansion of Coke Oven Plant and Captive Power Plant, the project of installation of fourth Coke Oven battery and boiler in Captive Power plant is progressing as per schedule and the same will be commissioned by first quarter of FY 2018-19.
- Considering the growing demand of Ductile Iron Pipes for water supply, sewerage, irrigation and various infrastructure development projects, the Company's order book position continues to be satisfactory.
- The Company is also exploring possibilities for diversification in related industry and products for future growth.

Quarterly Financial Statement (Ind AS)

Particulars (INR Mn)	Q2-FY18	Q2-FY17	Y-o-Y	Q1-FY18	Q-o-Q
Total Income*	3,456	1,962	76.1%	4,467	(22.6)%
Expenditure	2,744	1,415	93.8%	3,762	(27.0)%
EBITDA	712	547	30.3%	705	1.1%
EBITDA margin	20.60%	27.88%	(725) bps	15.78%	485 bps
Depreciation	93	119	(21.0)%	88	6.8%
Finance Cost	104	75	38.7%	114	(8.8)%
PBT	515	353	45.9%	503	2.4%
Tax	143	93	53.8%	139	2.9%
PAT	372	260	43.1%	364	2.2%
PAT margin	10.76%	13.25%	(249) bps	8.15%	261 bps
Other Comprehensive Income (net of Tax)	(1)	(1)	0	0	-
Total Comprehensive income	371	259	43.2%	364	1.9%
EPS	9.34	6.52	43.2%	9.16	2.0%

* includes other Income

Half-Yearly Financial Statement (Ind AS)

Particulars (INR Mn)	H1-FY18	H1-FY17	Y-o-Y
Total Income*	7,923	4,882	62.3%
Expenditure	6,506	3,483	86.8%
EBITDA	1,417	1,399	1.3%
EBITDA margin	17.88%	28.66%	NA
Depreciation	181	263	(31.2)%
Finance Cost	218	195	11.8%
PBT	1,018	941	8.2%
Tax	282	252	11.9%
PAT	736	689	6.8%
PAT margin	9.29%	14.11%	(482) bps
Other Comprehensive Income (net of Tax)	0	(1)	NA
Total Comprehensive income	736	688	6.9%
EPS	18.50	17.31	6.8%

* includes other Income

Profit & Loss Statement (Ind AS)

Particulars (INR Mn)	FY16	FY17	H1-FY18
Total Income*	11,976	12,339	7,923
Expenditure	9,109	9,665	6,506
EBITDA	2,867	2,674	1,417
EBITDA margin	23.94%	21.67%	17.88%
Depreciation	347	369	181
Finance Cost	425	393	218
PBT	2,095	1,912	1,018
Tax	542	510	282
PAT	1,553	1,402	736
PAT margin	12.97%	11.36%	9.29%
Other Comprehensive Income (net of Tax)	-2	0	0
Total Comprehensive income	1,551	1,402	736
EPS	39.01	35.25	18.50

* includes other Income

Balance Sheet (Ind AS)

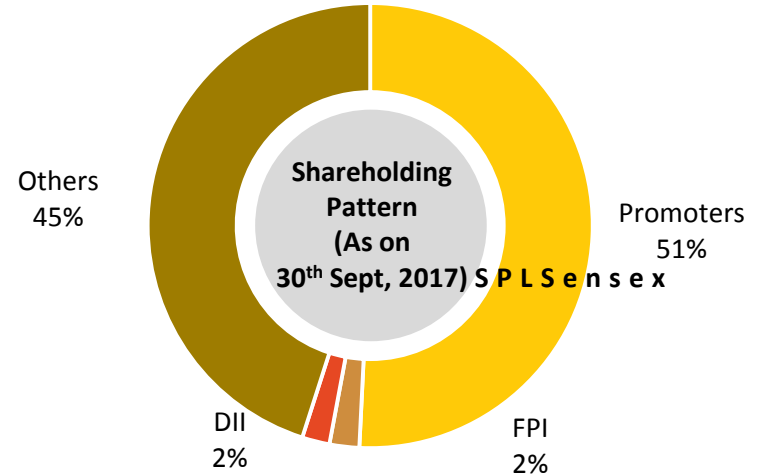
ASSETS (INR Mn)	FY16	FY17	H1-FY18
Non - Current Assets			
Property, Plant and Equipment	7,984	9,084	8,354
Capital Work-In-Progress	194	57	159
Intangible Assets	7	9	8
Financial Assets			
a. Other Financial Assets	39	56	64
Other Non-Current Assets	59	13	21
Total Non-Current Assets	8,283	9,219	8,606
Current Assets			
Inventories	1,189	2,134	2,682
Financial Assets			
a. Investments	1,473	1,526	2,026
b. Trade Receivables	2,076	1,433	2,873
c. Cash & Cash Equivalents	211	543	6
d. Bank Balances other than (c.)	4	12	251
e. Loans	61	232	210
f. Other Financial Assets	19	8	1
Other Current Assets	494	462	839
Total Current Assets	5,527	6,350	8,888
Total Assets	13,810	15,569	17,494

EQUITY & LIABILITY (INR Mn)	FY16	FY17	H1-FY18
Equity			
Equity Share Capital	398	398	398
Other Equity	6,575	7,737	8,186
Total Equity	6,973	8,135	8,584
Non-Current Liabilities			
Financial Liabilities			
a. Borrowings	1,090	639	513
b. Other Financial Liabilities	124	26	26
Provisions	47	55	69
Deferred Tax Liability (Net)	1,136	1,253	1,294
Other Non-Current Liabilities	-	-	48
Total Non-Current Liabilities	2,397	1,973	1,950
Current Liabilities			
Financial Liabilities			
a. Borrowings	2,925	3,872	4,752
b. Trade Payables	515	710	1,065
c. Other Financial Liabilities	872	722	751
Other Liabilities	61	98	35
Provisions	67	59	357
Total Current Liabilities	4,440	5,461	6,960
Total Liabilities	6,837	7,434	8,910
Total Equities & Liabilities	13,810	15,569	17,494

Capital Market Information



Price Data (As of 30 th Sept, 2017)	INR
Face Value	10
Market Price	349.8
52 Week High/Low	402.0/240.6
Market Capitalization (INR Mn)	13,908
Equity Shares Outstanding (Mn)	39.76
1 Year Avg. Trading Volume ('000)	119.4



Key Financial Ratios (As of 31 st March, 2017)	
Networth (INR Mn)	8,135
Net Debt to Equity (x)	0.3
ROE(%)	17.2
RoCE (%)	17.5

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review

For further information please contact our Investor Relations Representative:



Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-3006 7521/22/23/24

Email: info@valoremadvisors.com

THANK YOU