





INSPIRING GROWTH



**Save Water.**  
**The World is in your hands.**

**Srikalahasti Pipes Limited**  
Annual Report 2015-16

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## 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

## CORPORATE INFORMATION

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### DIRECTORS

Shri G.Maruthi Rao, Chairman, DIN 00083950  
Shri Gouri Shankar Rathi, Whole-time Director, DIN 00083992  
Shri S.Y.Rajagopalan, DIN 00067000  
Shri R.K.Khanna, DIN 05180042  
Smt S.Hemamalini, DIN 01947327  
Shri Shamsheer Singh Rawat, IAS (Nominee of APIDC), DIN 06927486

### MANAGING DIRECTOR

Shri Mayank Kejriwal, DIN 00065980

### CHIEF OPERATING OFFICER

Shri V.Poyyamozi

### CHIEF FINANCIAL OFFICER

Shri Atosh R Surana

### COMPANY SECRETARY

Shri K.Raghuram

### AUDITORS

M/s. K.R.Bapuji & Co.,  
Hyderabad

### SOLICITORS

Khaitan & Co.

### BANKERS

ICICI Bank Ltd.  
HDFC Bank Ltd.  
IDBI Bank Ltd.  
Standard Chartered Bank  
Punjab National Bank  
Bank of India  
Andhra Bank  
Yes Bank Limited  
Kotak Mahindra Bank Limited

### REGISTERED OFFICE & WORKS

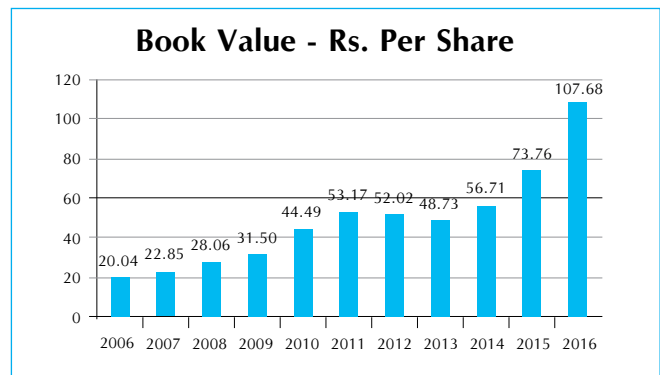
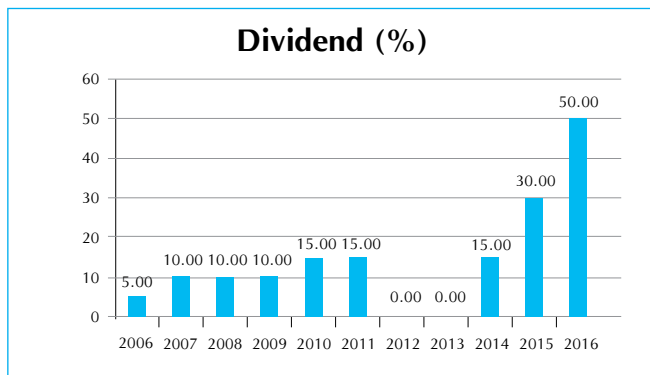
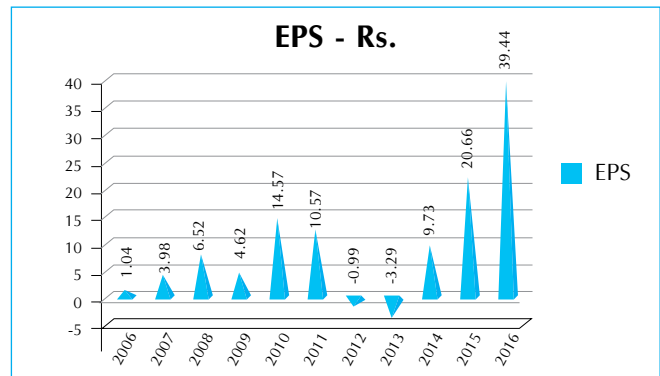
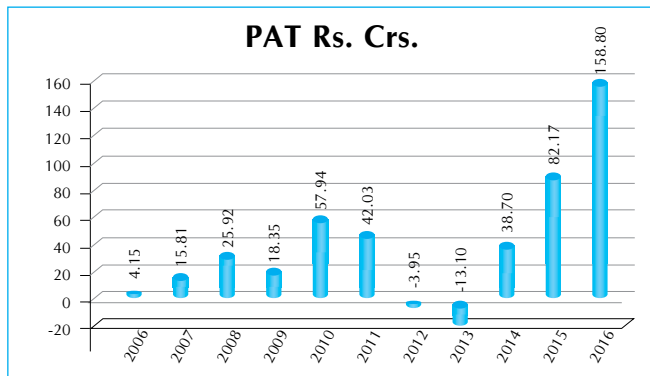
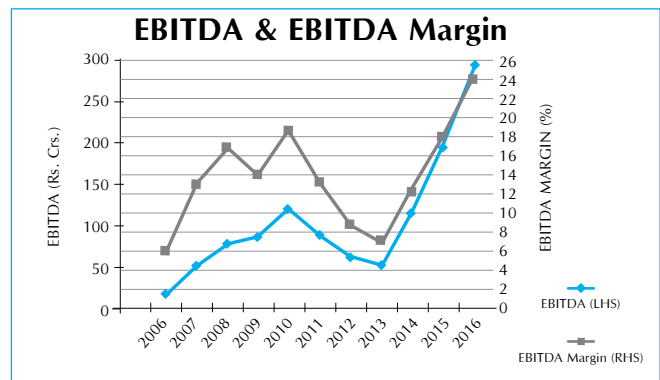
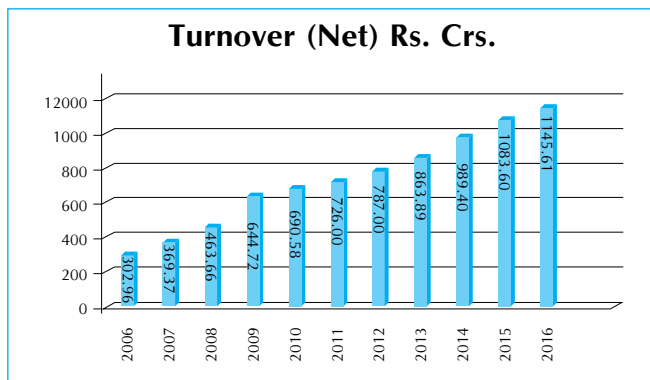
Rachagunneri-517 641  
Srikalahasthi Mandal  
Chittoor District  
Andhra Pradesh  
Website : [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com)  
E-mail : [companysecretary@srikalahasthipipes.com](mailto:companysecretary@srikalahasthipipes.com)  
CIN : L74999AP1991PLC013391

### SHARE TRANSFER AGENTS

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

**FINANCIAL HIGHLIGHTS**

Particulars	Unit	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Turnover (Net)	Rs.Crs.	302.96	369.37	463.66	644.72	690.58	726.00	787.00	863.89	989.40	1083.60	1145.61
EBITDA	Rs.Crs.	17.08	51.53	78.14	90.71	126.54	97.24	73.70	61.27	124.26	194.28	283.81
EBITDA Margin	%	5.64	13.95	16.85	14.07	18.32	13.39	9.36	7.09	12.56	17.92	24.77
PBT	Rs.Crs.	6.10	21.64	40.01	28.22	87.98	55.83	-4.17	-21.33	41.42	119.42	214.68
PAT	Rs.Crs.	4.15	15.81	25.92	18.35	57.94	42.03	-3.95	-13.10	38.70	82.17	158.80
EPS	Rs.	1.04	3.98	6.52	4.62	14.57	10.57	-0.99	-3.29	9.73	20.66	39.94
Dividend	%	5.00	10.00	10.00	10.00	15.00	15.00	0.00	0.00	15.00	30.00	50.00
Book Value	Rs.	20.04	22.85	28.06	31.50	44.49	53.17	52.02	48.73	56.71	73.76	107.68





## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 24th Annual Report of the Company together with the Audited accounts for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS:	Rs. in Lakhs	
	2015-16	2014-15
Particulars		
Gross revenue from operations	<b>1,17,767.06</b>	1,12,304.37
Net revenue from operations	<b>1,14,561.25</b>	1,08,355.08
Other income	<b>1,733.03</b>	866.03
Total Revenue	<b>1,16,294.28</b>	1,09,221.11
Earnings Before Interest, Taxes, Depreciation & Amortisation (EBITDA)	<b>28,381.48</b>	19,427.99
Finance Costs	<b>4,204.59</b>	4,369.37
Depreciation	<b>2,708.84</b>	3,116.90
Profit/(Loss) Before Taxation	<b>21,468.05</b>	11,941.72
Less: Tax including Deferred Tax	<b>5,587.80</b>	3,724.96
Profit/(Loss) After Taxation	<b>15,880.25</b>	8,216.76
Profit Brought Forward from Previous Year	<b>2,797.09</b>	1,016.07
Amount available for Appropriation	<b>18,677.34</b>	9,232.83
Appropriations are made as under :		
-General Reserve	<b>5,000.00</b>	5,000.00
-Proposed Dividend including tax thereon	<b>2,392.90</b>	1,435.74
Balance Carried Forward to Next Year	<b>11,284.43</b>	2,797.09

### DIVIDEND:

Your Directors have recommended a dividend of Rs.5.00 (50%) per equity share of Rs.10/- each for the financial year ended 31st March, 2016 (previous year Rs.3.00 per share) amounting to Rs.2392.90 lakhs (including Rs.404.75 lakhs towards dividend tax). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

**REVIEW OF OPERATIONS:**

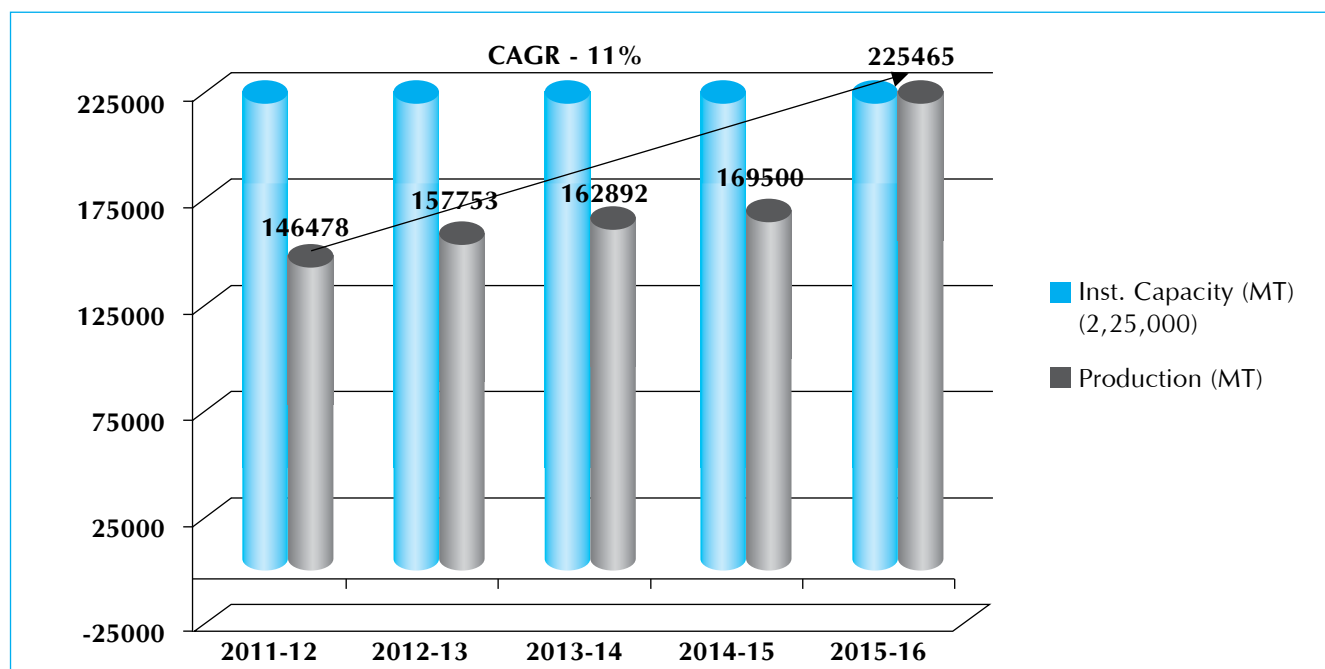
Your Company is associated in the nation building activity of water supply and infrastructure development. During the FY 2015-16, your company’s Ductile Iron Pipes of about 5,500 KM have been used across the country for transportation of potable water and sewerage under its brand name “SRIPIPES”. The Govt. of Andhra Pradesh has declared your company as “Public Utility Services Unit” as a special case.

Your Directors are pleased to inform that your company achieved robust performance during the year under review in terms of operational and financial performance.

**Operational performance highlights at a glance:**

Product	2015-16	2014-15	% of Increase
	<b>Production in MT</b>		
Ductile Iron Pipes	2,25,465	1,69,500	33
Liquid metal from MBF	2,59,120	2,18,206	19
Cement	87,359	85,770	2

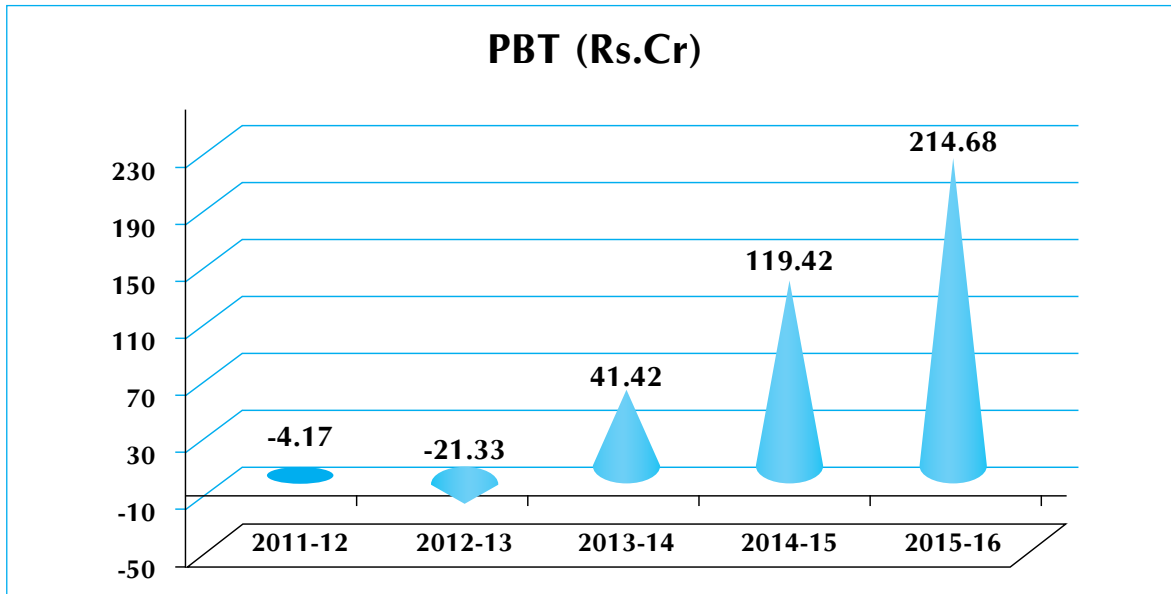
**Capacity Utilization of Ductile Iron Pipe Plant(2012 - 2016):**



During the year under review, the company has successfully achieved 100% of its rated capacity of Ductile Iron Pipe Plant established through capital expenditure programme undertaken in the FY 2014-15. This has resulted in increased production of Ductile Iron Pipes by about 55,965 MT registering an increase of about 33% over FY 2014-15. The Ductile Iron Pipes revenue grew by 19.48% to Rs.995.08 Crores from Rs.832.86 Crores in FY 2014-15, which has significantly improved the performance of the company.

Besides significant increase in the volumes of Ductile Iron Pipes, in its constant endeavour to remain low cost manufacturer, your Company has undertaken various cost reduction measures during the year under review such as reduction of coke consumption in MBF, HSD oil in Ductile Iron Pipe Plant. The continued favourable trend in the prices of major raw materials viz. iron ore, coal facilitated the Company in maintaining the lower cost of production.

The operational efficiencies and lower finance cost improved the overall performance thus achieving pre-tax profit of Rs.214.68 Crores in the FY 2015-16 as against Rs.119.42 Crores reported in the FY 2014-15.

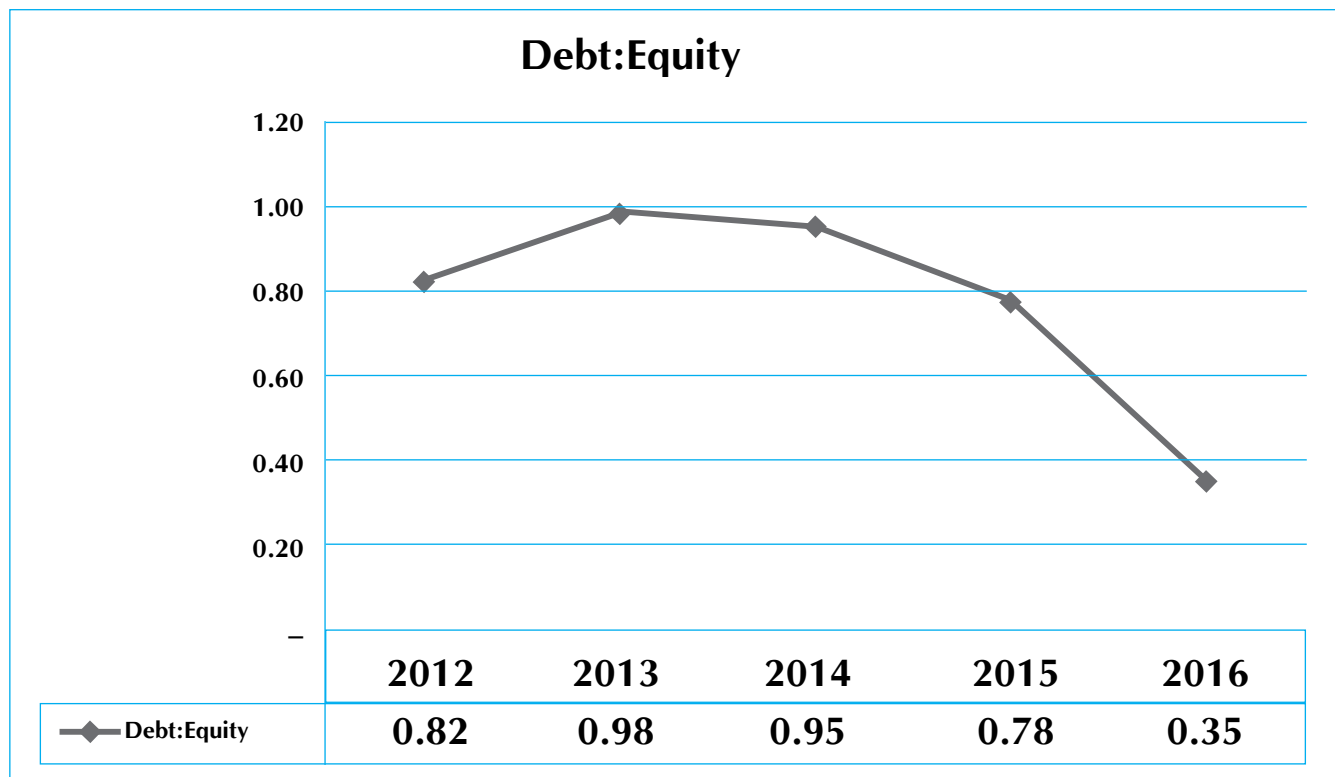


#### Pre-tax Profit (2012 -2016):

The improved internal cash accruals helped your Company to prepay the Term Loans borrowed from Indusind Bank Limited in March, 2016 and Kotak Mahindra Bank Limited in April, 2016 amounting to Rs.47 crores, and the company funded its CAPEX program during the year under review from internal accruals.

#### Debt Equity Ratio 2012 – 2016:

Your company is maintaining a healthy debt equity ratio of 0.35:1.





**FUTURE PROSPECTS:**

During the year under review, your Company has initiated yet another capital expenditure programme entailing an investment of Rs.100 Crores towards up-gradation /modification of Blast Furnace which includes installation of Pulverized Coal Injection (PCI) and Bell Less Top equipment facilities, capacity expansion of DI Pipe Plant which includes installation of new spinning machine and additional finishing line. These facilities are likely to be commissioned during 3rd quarter of the FY 2016-17.

Upon the successful completion of CAPEX Programme of Rs.100 cores under implementation, the production capacity of Ductile Iron Pipes shall increase from 2,25,000 TPA to 3,00,000 TPA. Besides measures to increase volumes, the cost saving measures like Pulverized Coal Injection facility in MBF and fuel saving measures in Ductile Iron Pipe Plant would help the Company to remain low cost manufacturer and thus have competitive edge in the industry.

Your Company is exploring the viability of putting up a double walled corrugated pipe plant to meet the growing demand of pipes required for sewerage and drainage.

As a further measure of cost reduction initiatives and as part of its constant attempt to achieve self-reliance in sourcing major and critical raw/essential materials, your Company has planned to set up a Ferro Alloys Plant with an outlay of Rs.55 Crores to meet the requirement of Ferro Silicon, Silico Manganese and Ferro Manganese in domestic and overseas markets, besides catering captive requirement of the Company. This additional facility would help the Company in achieving higher revenues, in addition to maintaining lower cost of production. This facility will be commissioned during second quarter of 2017-18. This project would be funded out of internal accruals.

The Company bagged orders worth Rs.1151 Cores for supply of pipes to various water supply projects of Telangana Government establishing a comfortable order book.

Further, upcoming ambitious water supply projects, Amaravathi Capital Development Projects and infrastructure projects in 100 Smart Cities and 500 other Cities under AMRUT (Atal Mission for Rejuvenation and Urban Transformation) of Central Govt and use of Ductile Iron Pipe in the non conventional sector like irrigation schemes etc., will ensure regular business and the company is hopeful of maintaining its growth.

**CREDIT RATING:**

Your Company has been rated with the rating as "CARE A+ (Single A Plus)" for long term bank facilities. This indicates adequate degree of safety regarding timely servicing of financial obligations and carry very low credit risk. The rating assigned for short term facilities is "CARE A1+ (A One Plus)" and indicates having very strong degree of safety regarding timely payment of financial obligations and carries lowest credit risk.

**DIRECTORS/KEY MANAGERIAL PERSONNEL:**

Andhra Pradesh Industrial Development Corporation (APIDC), Hyderabad has withdrawn its nominee Shri J S Venkateswara Prasad, IAS, with effect from 10th December, 2015 and nominated Shri Shamsher Singh Rawat, IAS on the Board of Directors of your Company with effect from 4th February, 2016.

Your Directors place on record their appreciation for the active participation and valuable services rendered to the Company by Mr.J. S. Venkateswara Prasad, IAS in his capacity as Director.

Shareholders at the last Annual General Meeting approved the appointment of Ms.S.Hemamalini as Independent Director (under non executive cadre) and Mr. Gouri Shankar Rathi as Whole Time Director on the Board of Directors of the Company with effect from 25th July, 2015 for a period of 5 years.

Shri S.Y.Rajagopalan and Shri G.S.Rathi retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

During the year under review Mr. A R Surana, CFO & Company Secretary has resigned from the position of Company Secretary and continues to be the CFO of the company. Mr. Manoj K Shah has been appointed as Company Secretary of the Company and on his resignation, Mr. K Raghuram has been appointed as Company Secretary w.e.f. 4.2.2016.

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 year on year.

## **CORPORATE GOVERNANCE:**

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. It is imperative that your company's affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of the stakeholders.

Your Company complies with the Securities and Exchange Board of India (SEBI) guidelines on corporate governance. The Corporate governance report for the financial year 2015-16 and the auditors' Certificate on Corporate Governance as stipulated under regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed vide Annexure I and forms part of this report.

## **INTERNAL FINANCIAL CONTROLS & ADEQUACY:**

Your Company has an effective internal financial control and risk management system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexity of operations. The internal audit is carried out by M/s Chaturvedi & Co., a reputed firm of Chartered Accountants in Chennai. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Company has developed a strong two tier internal control framework comprising entity level controls and process level controls. The entity level controls of the Company include elements such as code of conduct, whistle blower policy, management review & MIS and strong internal audit mechanism. The process level controls have been ensured by implementing appropriate checks and balances to ensure adherence to Company's policies and procedures, efficiency in operations and also reduce the risk of frauds.

The Audit committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit committee of the Board of Directors, Statutory Auditors and the Business heads are periodically appraised of the internal audit findings and corrective actions taken. Audit plays a key role in providing

assurance to the Board of Directors. Significant internal audit observations and the responses of the management are presented to the Audit committee of the Board for its suggestions followed by corrective actions.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

Please refer to the Management Discussion and Analysis section appearing in Annexure II to this Report.

## **RISK MANAGEMENT POLICY :**

The Company has a framework of identifying, prioritizing and mitigating risks which may impact attainment of short term and long-term business goals of the company. The risk management framework is interwoven with the strategic planning and deployment and capital project evaluation process of the Company. The process aims to analyse the external and internal environment and manage economic, financial, market, operational, compliance and sustainability risks and capitalizes opportunities for business success. The Company already identified the key risks which may affect the business goals and periodically revisits the relevance of the identified risks and progress of the mitigation plans undertaken. In order to strengthen the governance framework, the Company has in place a well defined Risk Management Policy which can be accessed at the website of the Company at [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com), which ensures sustainable business growth with stability and promotes a proactive approach in reporting, evaluating and resolving risks associated with the business. The elements of risk associated with the business, which may likely to have a bearing on the performance of the Company and the focused initiatives taken by the Company for mitigation of risks is covered elsewhere under Risk Management Section in the Annual Report.

## **NOMINATION & REMUNERATION POLICY:**

The Board of Directors of your Company has put in place a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Policy is available in the company's website at [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com).

Nomination and Remuneration Committee constituted by the Board is in line 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. The Committee shall guide the Board :

- a) In relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) In evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) In formulating the criteria for determining qualifications, positive attributes and independence of a director.
- d) In recommending to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

#### **CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The Board has adopted a Corporate Social Responsibility Policy (CSR Policy), in accordance with Schedule VII of the Companies Act, 2013 and a report on CSR activities/initiatives, which include the contents of the CSR Policy, composition of the Committee and other details as required to be provided in Annual Report on CSR in accordance with Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy), Rules, 2014 are disclosed in Annexure III to this Report.

During the year under review the amount spent by your Company for CSR activities remained lower than 2% of average net profits of last three years. As FY 2014-15 and 2015-16 being initial years of implementation of CSR Policy, the Company has been evaluating various focus areas for its CSR activities in the areas of village development, education, health, sanitation, poverty eradication and livelihood generation. As the ground work for effective implementation of CSR activities has already taken place, the Company would see improved action and corresponding spend on CSR in the coming years.

#### **WHISTLE BLOWER MECHANISM (POLICY) :**

Vigil Mechanism called 'Whistle Blower Policy' established by the Company for the Directors, Employees and all the Stakeholders of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy is in line with the provisions of Section 177(9) of the Companies Act, 2013 read with its respective rules and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee. The guidelines are meant for all members of the Organization from the day they join and

are designed to ensure that they may raise any specific concern on integrity, value adherence without fear of being punished for raising that concern. The Whistle Blower Policy is available in the Company's website at [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com).

This Policy covers malpractices and events which have taken place / suspected to have taken place, misappropriation of monies, manipulations, negligence causing danger to public health and safety, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, and other matters or activity by which the Company's interest is affected and formally reported by whistle blowers concerning its employees. The Company has not received any complaint under this Policy during the FY 2015-16.

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

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment. During the year 2015-16, there were no complaints received by the ICC.

#### **EVALUATION OF PERFORMANCE OF BOARD MEMBERS:**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework as suggested by Nomination & Remuneration Committee adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee.

The review includes:

- (a) Comparing the performance of the Board with the requirements of its Charter;
- (b) Examination of the Board's interaction with management;

- (c) The nature of information provided to the Board by management; and
- (d) Management's performance in assisting the Board to meet its objectives.

A similar review is conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

Based upon the results of these evaluations, it was observed that the board and its committees are operating effectively and that the individual director's performance continues to be effective and demonstrates the level of commitment expected by the Company.

#### **NUMBER OF MEETINGS OF THE BOARD:**

The details of the number of Meetings of the Board held during the Financial Year 2015-16 are given in the Corporate Governance Report which forms part of this report.

#### **RELATED PARTY TRANSACTIONS:**

As per the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has established a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. The Policy on Related Party Transactions as approved by the Board of Directors is available on the website of the Company at [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com). All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Omnibus approval was granted by the Audit Committee on yearly basis for transactions which are repetitive in nature. Also, approval of shareholders has been obtained for material related party transactions to be entered into with related parties before the transaction took place. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and ratification on a quarterly basis. Further as required by the provisions of Section 134 (3)(h) read with rule 8(2) of the Companies Act, 2013 disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 are given by way of Annexure IV to this report.

#### **EMPLOYEES:**

Your Directors are happy to inform you that a four year long term settlement till May 2019 with the workmen has been concluded and wish to place on record their

appreciation for the committed services rendered by the employees of your Company at all levels during the year under review and for their co-operation in maintaining cordial relations.

The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. However, in terms of Section 136 of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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

#### **STATUTORY INFORMATION:**

Information as per Companies (Accounts) Rules, 2014 related to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure - VI attached hereto and forms part of this report.

#### **OTHER INFORMATION:**

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

1. There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in their report or by the practicing Company Secretary in the Secretarial Audit Report.
2. The Company has granted loans aggregating Rs.13.56 lakhs during the year ended 31st March, 2016. These primarily consist of loans to employees as per the policy of the Company. The closing balances of these loans are disclosed under the schedule of Loans & Advances in the financial statements. The Company has not given any guarantees or made any investments during the years, which would be covered by Section 186 of the Companies Act, 2013.

3. Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis.
4. Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company at the beginning of the Report.
5. There are no material changes or commitments occurring after 31st March, 2016, which may affect the financial position of the Company or may require disclosure.
6. During the year under review, there has been no change in the nature of business of the Company.
7. The Company did not have any subsidiaries, joint ventures and associate companies, which have ceased during the year.
8. The Company has not accepted deposits under Chapter V of the Companies Act, 2013.
9. The Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

#### **STATUTORY AUDITORS:**

At the Annual General Meeting held on 24th August, 2015, M/s. K R Bapuji & Co., Chartered Accountants (Registration No: 0003955), Hyderabad were appointed as statutory auditors of the Company to hold office till the conclusion of the 25th Annual General Meeting to be held in the calendar year 2017. In terms of the first provision to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. K R Bapuji & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors' Report addressed to the shareholders of the Company, does not contain any qualification.

#### **COST AUDITORS:**

The Company has appointed M/s. Narasimhamurthy & Co., Cost Accountants, Hyderabad, as Cost Auditors for conducting the audit of cost accounts maintained by the Company for the financial year 2015-16. The Cost Audit Report for the previous financial year 2014-15 was filed in Extensible Business Reporting Language (XBRL) mode within due date.

#### **SECRETARIAL AUDITORS:**

Mr. S Chidambaram, Company Secretary in Practice, Hyderabad, was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for financial year 2015-16 issued by Mr. S. Chidambaram, Company Secretary in Practice in form MR-3 is provided in Annexure-VII to the Board's report. The Secretarial Auditor's Report is self-explanatory and do not call for any further comments.

#### **GREEN INITIATIVE :**

The Company started a sustainability initiative with the aim of going green and minimizing the impact on the environment. Electronic copies of the Annual Report 2014-15 and Notice of the 23rd Annual General Meeting were sent to all members whose email addresses are registered with the Company / Depository Participant(s).

Shareholders who are yet to register their E-mail addresses are requested to take necessary steps for registering the same so that they can also become a part of the initiative and contribute towards a Greener environment. However physical copies can be sent upon a request made to the Company.

#### **ANNEXURES TO THE BOARD'S REPORT :**

- (i) Corporate Governance Report is enclosed vide Annexure – I.
- (ii) Pursuant to Regulation 34 of Listing Regulations, 2015, Management Discussion and Analysis Report is enclosed vide Annexure – II.
- (iii) 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 Directors' Report is enclosed vide Annexure - III.
- (iv) Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related parties in the prescribed Form AOC-2, forming part of Directors' Report is enclosed vide Annexure – IV.
- (v) Disclosure under Section 197 (12) read with Rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 is enclosed vide Annexure – V.
- (vi) Pursuant to Section 134 (3) (m) of the Companies Act, 2013, information relating to Conservation of Energy, Technology absorption and foreign exchange earnings and outgo is enclosed vide Annexure – VI.

- (vii) Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014, the Secretarial Audit Report is enclosed vide Annexure – VII.
- (viii) Pursuant to Section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual Return as provided under sub section (3) of Section 92 is enclosed vide Annexure – VIII.
- 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 that such systems were adequate and operating effectively.

#### **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, 2016.
- 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.

#### **ACKNOWLEDGEMENTS:**

Your Directors would like to place on record their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members of the Company during the year under review. Your Directors also wish to express their gratitude on the dedicated and committed services of the employees at all levels. The Company's consistent growth was made possible by their hard work, solidarity, cooperation and support and look forward to their continued support in the future.

Place: Chennai.

Date: 9th May, 2016

#### **For and on behalf of the Board of Directors**

R.K. Khanna  
Director  
DIN 05180042

Mayank Kejriwal  
Managing Director  
DIN 00065980



# Report on Corporate Governance

Annexure I to Directors' Report

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company affirms that adoption of the good Corporate Governance practices in all its dealings, operations and actions is sine qua non for enhancement of overall shareholder value and protection of interests of all its stakeholders including customers, employees, lenders, suppliers, government and the community in which it operates.

It is well recognized that an effective Board of Directors is a pre-requisite for strong and effective corporate governance. Our Board and Committees thereof are formed as per requirement of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which oversees how the Management serves and protects the long-term interests of all our stakeholders.

Your Company's Corporate Governance Framework ensures making timely disclosures and share accurate information regarding the financials and performance, as well as the leadership and governance of the Company.

Transparency and accountability are the two basic requirements of Corporate Governance. Responsible Corporate conduct is integral to the way the Company do the business. The actions are governed by the values and principles which are reinforced at all levels in your Company. The code of business is reflected in the continued commitments to ethical business practices

across the dealings. Your Company firmly believes that Board's independence is essential to bring objectivity and transparency in the management and in the dealings of your Company.

## BOARD OF DIRECTORS:

The current policy is to have an appropriate mix of executive, non-executive, independent and women directors to maintain the independence of the Board, and separate its functions of governance and management. Accordingly, the Board of Directors along with its Committees of your company comprising of seasoned professionals in diversified fields provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company, besides advising on adoption of systems best practices of management and oversight of compliance of various legal and other requirements.

## Composition of Board:

The Board currently comprises of Seven Directors as categorized below.

- Two Executive Directors.
- Three Independent Non-Executive Directors, one of whom is Woman Director.
- One Non-Independent Non-Executive Director.
- One Nominee Director.

The composition of 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, 2016 unless otherwise stated are given in the following table: -

Name of Director	Executive / Non-Executive / Independent	No. of Other* Directorships held	Other* Committee# positions held	
			As Chairman	As Member
Shri G Maruthi Rao	Chairman - Non-executive-Independent	-	-	-
Shri Mayank Kejriwal	Managing Director-Executive	12	-	1
Shri R.K.Khanna	Non-Executive-Independent	1	1	-
Shri Gouri Shankar Rathi	Executive	-	-	-
Shri S.Y.Rajagopalan	Non-Executive	1	-	-
Smt. S.Hemamalini	Non-Executive-Independent	-	-	-
Shri J S Venkateswara Prasad (i) Nominee of APIDC (Equity Investor)	Non- Executive-Nominee Director	-	-	-
Shri Shamsher Singh Rawat (ii) Nominee of APIDC (Equity Investor)	Non- Executive-Nominee Director	-	-	-

(i) APIDC has withdrawn its nominee Shri J S Venkateswara Prasad, IAS with effect from 10th December, 2015.

(ii) APIDC nominated Shri Shamsher Singh Rawat, IAS as its nominee in place of Shri J S Venkateswara Prasad, IAS with effect from 4th February 2016.

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

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

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

#### **BOARD PROCEDURES AND INFORMATION PLACED BEFORE THE BOARD:**

Minimum four Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The meetings are usually held at the Company's office at Chennai. The Company's various business heads / service heads are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/approval/decision at Board/Board Committee meetings. Such matters are communicated

by them to the Company Secretary in advance so that they are included in the agenda for Board/Board Committee meetings.

The Board is given presentations covering Finance, Sales, Marketing, the Company's major business segments and their operations, overview of business operations, global business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/annual financial results. Necessary information as required under the relevant statutes and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board, from time to time. The Board periodically reviews compliance reports of all applicable laws as well as steps taken by the Company to rectify instances of non-compliance, if any.

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees thereof. Important decisions taken at Board/Board Committee meetings are communicated promptly to the concerned departments/divisions.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/Companies Act, 2013 read



with rules issued there under, as applicable and the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting and thereafter signed by the Chairman. The minutes of the meeting explicitly record dissenting opinions of the members, if any.

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

Five Board Meetings were held during the year 2015-16. The dates of the meetings are as follows:

30th April, 2015, 25th July, 2015, 24th August, 2015, 30th October, 2015 and 4th February, 2016.

The following table highlights the attendance of each Director at the respective meetings during the year 2015-16: -

Name of Director	Board Meetings		AGM
	Held	Attended	
Shri Mayank Kejriwal	5	5	YES
Shri G Maruthi Rao	5	5	YES
Shri Gouri Shankar Rathi	5	5	YES
Shri S.Y.Rajagopalan	5	5	YES
Shri R.K.Khanna	5	4	YES
Ms.S.Hemamalini	5	4	NO
Shri J.S.Venkateswara Prasad, IAS (i)	5	0	NO
Shri Shamsher Singh Rawat, IAS (ii)	5	0	NA

- (i) APIDC withdrawn its nominee J.S.Venkateswara Prasad, IAS with effect from 10th December, 2015.
- (ii) APIDC nominated Shri Shamsher Singh Rawat, IAS as its nominee in place of Shri J S Venkateswara Prasad, IAS with effect from 4th February 2016.

of the company [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com).

#### Independent Directors:

The Non-Executive Independent Directors fulfil the conditions of the independence specified in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and meet with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment as provided in the Companies Act, 2013 and the Listing Agreement has been issued to each Independent Director and placed on the website of the Company. These appointment letters can be accessed at [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com). Orientation programme to Independent Directors was organised at the Plant premises to familiarize them about the Plant operations of the Company. All the Directors participated in the programme and acquainted / updated themselves with the entire operations of the Company.

#### Independent Directors' Meeting:

- During the year under review, the Independent Directors met on 4th February, 2016, inter alia, to discuss:

#### Familiarisation Programme for Directors:

The newly appointed Director is explained in detail the compliance required under the provisions of the Companies Act, 2013, Listing Agreement and other relevant regulations and his / her affirmation is taken with respect to the same. The Managing Director also has one-to-one discussion with the newly appointed Director to familiarise him / her with the Company's operations. Periodic presentations and information are made at the Board and Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. The Board members are also provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of the familiarisation programmes undertaken by the company are provided in the website

- Evaluation of performance of Non-Independent Directors and the Board as a whole.
- Evaluation of performance of the Chairman of the Company, taking into account the view of the Executive and Non-Executive Directors.
- Evaluation of the Quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- Evaluation of the performance of the Management and its reporting mechanism.
- Evaluation of the functioning of the vigil mechanism which is in place.

Details of familiarisation programme for Independent Directors is placed at the website of the Company [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com).

#### **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:**

A qualified and independent Audit Committee, meeting the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, has been constituted. The Audit Committee presently comprises of two Independent Non-Executive Directors and a non-independent non-executive Director.

The terms of reference of the Audit Committee includes the powers and role as laid down in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Act and rules made therein. The Audit Committee also reviews the information as per the requirements of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Act.

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

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

The Audit Committee also reviews the following information as and when required:

- Management Discussion & Analysis of financial condition and results of operations.
- Statement of significant Related Party Transactions (as defined by the Audit Committee).
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- Internal audit reports relating to internal control weaknesses.

The Audit Committee during the year ended 31st March, 2016 had five meetings on 30th April, 2015, 25th July, 2015, 24th August, 2015, 30th October, 2015 and 4th February, 2016.

#### **The composition of the Audit Committee as on 31st March, 2016 and attendance during the year are as under:**

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

The Audit Committee met on 9th May, 2016 for considering finalization of accounts for the year ended 31st March, 2016.

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

Shri R.K.Khanna, Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 24th August, 2015.

**The composition of the Nomination & Remuneration Committee as on 31st March, 2016 and attendance during the year are as under:**

The Nomination and Remuneration Committee met 3 times during the year on 30th April, 2015, 25th July, 2015 and 4th February, 2016. The necessary quorum was present at all the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

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

- Shri G.S.Rathi ceased to be Member of the Committee with effect from 24th August, 2015.

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.

Broad terms of reference of Nomination and Remuneration Committee are as under:

- Identify persons who are qualified to be Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Carry out evaluation of every Director’s performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and
- Recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and employees one level below the KMP.

**NOMINATION & REMUNERATION COMMITTEE:**

The Nomination & Remuneration Committee of Srikalahasthi Pipes Limited (“the Company”) comprises of three Non-Executive Directors. Consequent upon the appointment of Shri G S Rathi as whole time director, the Board at its meeting held on 24th August, 2015 reconstituted the Committee by appointing Shri S Y Rajagopalan (Non-Executive Director) in place of Shri G.S. Rathi.

While formulating the said Policy the Committee ensured that:-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Director, Key Managerial Personnel and employees one level below the KMP involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**Remuneration to Directors**

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

Having regard to the recommendation of the Nomination and Remuneration Committee the Board at its meeting held on 9th May, 2016 approved remuneration to executive and non-executive directors as given in table hereunder. The total amounts with sitting fees for attending the meetings of the Board and its Committees paid to Executive and Non-executive directors is also given in the table below :-

Name of the Director	Commission/Remuneration (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Shri Mayank Kejriwal	9,80,00,000	-	9,80,00,000
Shri G Maruthi Rao	4,00,000	4,30,000	8,30,000
Shri Gouri Shankar Rathi	1,08,80,155	75,000	1,09,55,155
Shri S.Y.Rajagopalan	4,00,000	4,10,000	8,10,000
Shri R.K.Khanna	4,00,000	3,80,000	7,80,000
Smt S.Hemamalini	4,00,000	1,40,000	5,40,000
<b>Total</b>	<b>11,04,80,155</b>	<b>14,35,000</b>	<b>11,19,15,155</b>

**Notes :**

1. There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the Financial Year ended 31.3.2016 other than commission.
2. No stock options have been granted to any Director of the Company.

**Performance Evaluation:**

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

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

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

**Subsidiaries:**

The Company has no subsidiary.

**Details of Equity Shares of the Company held by Non-Executive Directors as on 31st March, 2016:**

Name of the Non-Executive Director	No. of shares
Shri G Maruthi Rao	Nil
Shri S Y Rajagopalan	Nil
Shri R K Khanna	Nil
Smt. S Hemamalini	Nil
Shri Shamsher Singh Rawat, IAS	Nil

**Management:**

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

**CEO/CFO Certification:**

In accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, the Audit Committee and the Auditors have been furnished with the requisite certificate from the Managing Director and Chief Financial Officer of the company.

**Code of Conduct:**

The Board of Directors has adopted the Code of Conduct for Board Members and Senior Management Personnel of the Company. The said Code has been communicated to the Directors and the Senior Management personnel from whom the necessary affirmation has been received with regard to the compliance of the Code. A declaration in this regard by the Managing Director is furnished at the end of the report. This Code has been laid down with a view to promote good corporate governance, exemplary personal conduct, fair competition, Corporate Social Responsibility, Safety, Health & Environmental performance, transparency and compliance of laws and regulations. Code of Conduct for Directors also contains their duties approved by the Board to be in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been posted on the Company's website at [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com).

**Prevention of Insider Trading Code:**

The Company has adopted a Code of Conduct to Regulate, Monitor & Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) Regulations, 2015, with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Promoters, Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed and certain other situations. The Board is responsible for implementation of the Code.

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board members and the designated employees 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](http://www.srikalahasthipipes.com).

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) Regulation 2015 is available in the Company's website.

**Whistle Blower (Mechanism) Policy:**

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place the 'Whistle Blower Policy' duly approved by the Board. 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. This policy is also posted on the website of the Company [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com).

**STAKEHOLDERS RELATIONSHIP COMMITTEE :****The composition of Stakeholders Relationship Committee is as follows:**

Shri R.K.Khanna	- Chairman
Shri S.Y.Rajagopalan	- Member
Shri G.S.Rathi	- Member

**THE COMMITTEE ADMINISTERED THE FOLLOWING:**

- Redress Shareholders' and Investors' complaints relating to non-receipt of balance sheet, transfer of shares, non-receipt of dividends etc.
- Consolidate and sub-divide share certificate(s).
- Approve transmission and issue of duplicate / fresh share certificate(s).

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

d. **Details of queries/ complaints received and resolved during the year 2015-16:**

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

Nature of Complaints	Opening	Received During the year	Resolved	Pending Resolution
Non-Receipt of Dividend Warrants	Nil	24	24	Nil
Non-Receipt of Share Certificates	Nil	13	13	Nil
Non-Receipt of Annual Reports	Nil	2	2	Nil
Non-Receipt of fresh/new Shares Certificates	Nil	2	2	Nil
<b>Total</b>	<b>Nil</b>	<b>41</b>	<b>41</b>	<b>Nil</b>

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

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

Pursuant to Section 205A of the Companies Act, 1956, the following amount of dividend pertaining to FY 2007-08, lying un-claimed by the shareholders was transferred to Investor Education and Protection Fund of the Central Government.

<b>FY 2007-08</b>	<b>Rs.3,46,859</b>
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In compliance with Section 124 of the Companies Act, 2015, the un-claimed dividend for the financial years 2008-09 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
2008-09	1.00	28.08.2009	27.09.2016
2009-10	1.50	25.08.2010	24.09.2017
2010-11	1.50	25.08.2011	24.09.2018
2011-12	Nil	-	-
2012-13	Nil	-	-
2013-14	1.50	27.09.2014	26.10.2021
2014-15	3.00	24.08.2015	23.09.2022

f. **Details of unclaimed De-mat suspense account :-**

a. (i) Aggregate No. of shareholders as on 01.04.2015	783
(ii) Outstanding shares as on 01.04.2015	62803
b. No. of shareholders approached for transfer of shares	Nil
c. No. of shareholders to whom shares were transferred	NA
d. (i) Aggregate No. of shareholders as on 31.03.2016	783
(ii) Outstanding shares as on 31.03.2016	62803

The voting rights of the above shares shall remain frozen till the rightful owner of such shares claims the shares.

**COMPLIANCE OFFICER:**

K Raghuram, Company Secretary, Srikalahasthi Pipes Limited Rachagunneri-517641, Srikalahasthi Mandal, Chittoor District, AP., Ph: 08578-286650-55, Fax: 08578-286657, E-mail: companysecretary@srikalahasthipipes.com.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

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

The terms of reference of the CSR Committee broadly comprises:

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

The CSR Policy of the Company is available on the Company's website [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com).

**The composition of the Corporate Social Responsibility Committee as on 31st March, 2016 is as under:**

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

**GENERAL BODY MEETINGS**

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

Date	Venue	Time
26.08.2013	Rachagunneri Village, Srikalahasthi Mandal, AP.	11.30 A.M.
27.09.2014	Rachagunneri Village, Srikalahasthi Mandal, AP.	11.30 A.M.
24.08.2015	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
26.08.2013	No Special Resolution was passed.
27.09.2014	• To approve change of name of the Company.
	• To approve the payment of remuneration to non-executive Directors.
	• To approve increase in the payment of remuneration to Managing Director.
24.8.2015	• To approve the Related Party Transactions to be entered into with Electrosteel Castings Limited
	• To Approve the appointment of Shri G S Rathi as whole time director liable to retire by rotation for a period of 5 years

(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 34 of Notes on Accounts in Annual Report.
- None of the transactions with Related Parties were 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, 2016 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](http://www.srikalahasthipipes.com).

## MEANS OF COMMUNICATION:

Information like quarterly / half yearly / annual financial results and official press releases that have been announced from time to time is hosted on the Company's website [www.srikalahasthipipes.com](http://www.srikalahasthipipes.com) and also submitted to the Stock Exchanges to enable them to publish on their websites and communicate to their members. The quarterly / half-yearly / annual financial results are published in English and vernacular daily news papers. The Company is electronically filing specific documents / statements on the BSE's listing website [www.listing.bseindia.com](http://www.listing.bseindia.com) and NSE's Neaps website [www.connect2nse.com](http://www.connect2nse.com).

Further, Management Discussion and Analysis is covered in the Directors' Report to the Shareholders, which forms a part of the Annual Report.



**GENERAL SHAREHOLDERS' INFORMATION:**

The following information would be useful to our shareholders:

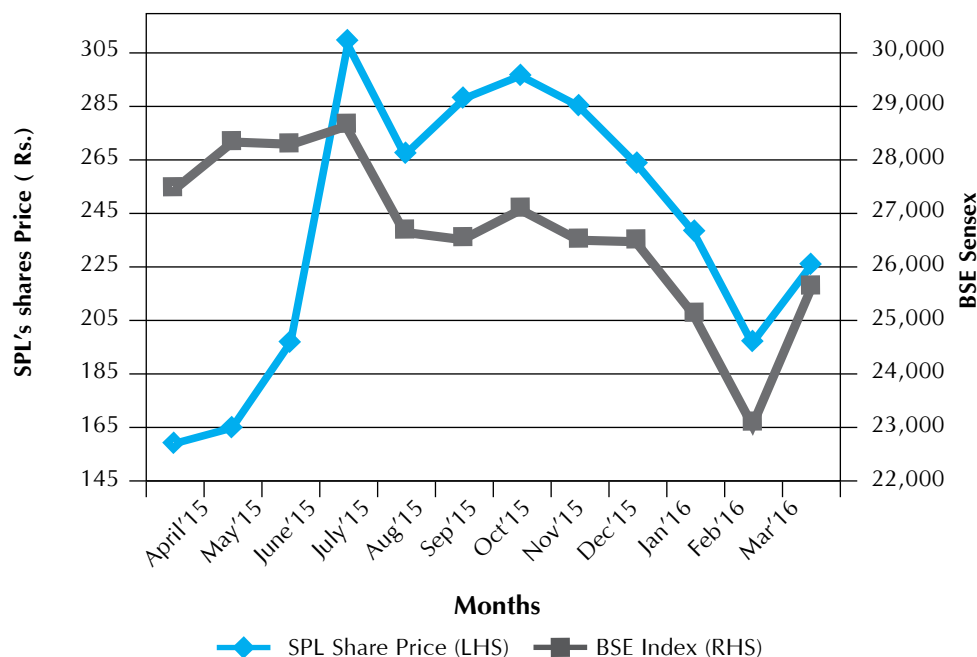
Sl. No	Information	
1	Annual General Meeting	
	- Date and Time:	29th August, 2016 at 11.30 AM
	- Venue:	At Registered Office: Rachagunneri Village-517641, Srikalahasthi Mandal, AP.
2	Financial Calendar	Tentative Schedule
	Financial Reporting for the Quarter ended June 30, 2016	End July, 2016.
	Financial Reporting for the Quarter ended September 30, 2016	End October, 2016.
	Financial Reporting for the Quarter ended December 31, 2016	End January, 2017.
	Financial Reporting for the Quarter ended March 31, 2017	End April, 2017.
	Annual General Meeting for the year ending March 31, 2017.	End August, 2017.
3	Book Closure Date (Both days inclusive)	22nd August, 2016 to 29th August, 2016.
4	Dividend payment date	2nd September, 2016.
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

9 Stock Market Data:

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
Apr-15	160.10	137.10	1241420	160.35	137.45	3296120
May-15	178.90	163.50	1275903	178.65	163.95	3260707
Jun-15	197.60	163.00	1761138	197.80	163.65	6179785
Jul-15	310.20	202.40	2626694	310.95	201.85	9688665
Aug-15	340.80	249.50	1621251	340.40	246.60	6264186
Sep-15	288.50	212.00	1378213	287.95	210.65	6402375
Oct-15	330.20	271.10	1468173	330.80	270.55	6051878
Nov-15	308.90	268.00	1098926	307.90	267.75	3769484
Dec-15	283.60	229.20	985269	284.45	229.60	3368690
Jan-16	284.50	225.40	872277	284.45	224.00	3445641
Feb-16	243.80	184.90	859876	243.85	184.55	3030538
Mar-16	226.00	208.40	605096	226.35	207.15	2600610

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

**SPL's Share Price in comparison to BSE Sensex**



Data of closing share price of the Company and closing Index as on the last trading day of the respective month has been considered for the purpose of the graph.

**Registrar & Share Transfer Agents:**

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

**Share Transfer System:**

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

**Dividend History for the last 5 years is as under:**

Financial Year	Dividend Rate (%)	Amount including Dividend Tax (Rs. Lakhs)
2010-11	15	693.21
2011-12	-	-
2012-13	-	-
2013-14	15	697.82
2014-15	30	1435.74

**Distribution of Shareholding as on March 31, 2016:**

Sl No.	Category		Number of Shareholders	% of Shareholders	No. of Shares held	% of Shares held
	From	To				
1	1	5000	22230	88.55	2468322	6.21
2	5001	10000	1289	5.13	1048265	2.64
3	10001	20000	676	2.69	1050085	2.65
4	20001	30000	270	1.08	694934	1.75
5	30001	40000	130	0.52	469546	1.18
6	40001	50000	101	0.40	472930	1.19
7	50001	100000	200	0.80	1480006	3.72
8	100001	And above	208	0.83	32079507	80.67
		<b>Total</b>	<b>25104</b>	<b>100.00</b>	<b>39763595</b>	<b>100.00</b>

Categories of Shareholding as on 31st March, 2016:

Sl. No.	Category	No. of shares held	Percentage of shareholding
<b>A.</b>	<b>PROMOTER'S HOLDING</b>		
<b>1</b>	<b>Promoters</b>		
	a) Indian Promoters		
	i) Electrosteel Castings Limited	19301218	48.54
	ii) Others	891960	2.24
	b) Foreign Promoters	0	0
<b>2</b>	<b>Persons Acting in Concert</b>	0	0
	<b>Sub-Total</b>	<b>20193178</b>	<b>50.78</b>
<b>B.</b>	<b>NON-PROMOTER'S HOLDING</b>		
<b>3</b>	<b>Institutional Investors</b>		
	a) Mutual Funds and UTI	3911	0.01
	b) Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	328583	0.82
	c) FIIs	592549	1.49
	<b>Sub-Total</b>	<b>925043</b>	<b>2.32</b>
<b>4</b>	<b>Others</b>		
	a) Private Corporate Bodies	5514687	13.87
	b) Indian Public	12006809	30.21
	c) NRIs / OCBs	1039813	2.61
	d) Any other (Clearing Members)	84065	0.21
	<b>Sub-Total</b>	<b>18645374</b>	<b>46.90</b>
	<b>GRAND TOTAL</b>	<b>39763595</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity:**

Since the Company has entered into an agreement with both the depositories namely NSDL and CDSL for dematerialization of its Shares, the Shareholders of the Company have the choice to dematerialize their shares and keep them in dematerialized form with any depository participant. About 98.37% of total equity share capital is held in dematerialized form with NSDL & CDSL as on 31st March, 2016.

**Outstanding convertible Instruments:**

As on 31.3.2016, there are no outstanding convertible instruments.

**Registered Office & Works:**

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

Members can contact us at our Registered Office:

As stated 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 /

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

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](http://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, 2016.

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 Reconciliation of Share capital 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.

For Srikalahasthi Pipes Limited

Place: Chennai  
Date: 9th May, 2016

Mayank Kejriwal  
Managing Director  
DIN 00065980

**Certificate of Compliance with the Corporate Governance requirements under SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To  
The Members of  
Srikalahasthi Pipes Limited**

We have examined the compliance of conditions of corporate governance by Srikalahasthi Pipes Limited (“the Company”) for the year ended on 31st March, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

We 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.

**For K. R. BAPUJI & Co.**  
Chartered Accountants  
(Firm’s Registration No. 000395S)

Place : Chennai  
Date : 09.05.2016

P. R. SATISH  
(Partner)  
(Membership No. 219432)



# MANAGEMENT DISCUSSION & ANALYSIS

Annexure II to Directors' Report

## OVERVIEW :

Srikalahasthi Pipes Limited (Formerly known as Lanco Industries Limited) ventured its base in the Temple Town of Srikalahasthi as a small beginning and the following are the major MILESTONES since inception.

1991 - Incorporation of the Company.

1994 - Setting up of Mini Blast Furnace of 1,50,000 TPA.

1995 - Setting up a 250 TPD Mini Cement Plant.

1997 - Setting up of Ductile Iron Pipes Facility of 60,000 TPA.

2002 - Strategic Alliance with Electrosteel Casting Limited.

2003 - Capacity of DI Pipes increased from 60,000 TPA to 90,000 TPA.

2005 - Commissioning of 150,000 TPA coke oven plant.

2005 - Setting up of Captive Power Plant of 12 MW by using the waste heat recovered from the coke oven plant.

2006 - Capacity of DI Pipes increased from 90,000 TPA to 1,20,000 TPA.

2009 – Capacity of DI Pipes increased from 1,20,000 TPA to 1,50,000 TPA.

2010 – Capacity of Mini Blast Furnace increased from 1,50,000 TPA to 2,25,000 TPA.

2011 – Commissioning of the first of its kind project to use primarily treated sewerage water of Tirupati Municipal Corporation for industrial purpose.

2012- Commissioning of Sinter Plant of 5 Lakh MT to substitute usage of lump ore with iron ore fines to a larger extent. Enhancement of capacity of Coke Oven Plant from 1,50,000 TPA to 2,25,000 TPA.

2014 – Name of the Company has been changed from Lanco Industries Limited to **“Srikalahasthi Pipes Limited”**.

2015 – Capacity of DI Pipes and MBF, increased to 2,25,000 TPA and 2,75,000 TPA, respectively. Commissioning of 132 KVA sub-station for quality and uninterrupted power supply with reduction in tariff.

2016 – Initiated capacity expansion program of DI Pipes Plant from 2,25,000 TPA to 3,00,000 TPA, installation of Pulverized Coal Injection (PCI), Stave Cooling system in Mini Blast Furnace (MBF) for higher productivity and cost control.

**THE YEAR IN RETROSPECT (FY 2015-16 Vs. FY 2014-15):**

**Financial Performance:**

**Highest ever Gross Revenue** of Rs.1177.67 Crores

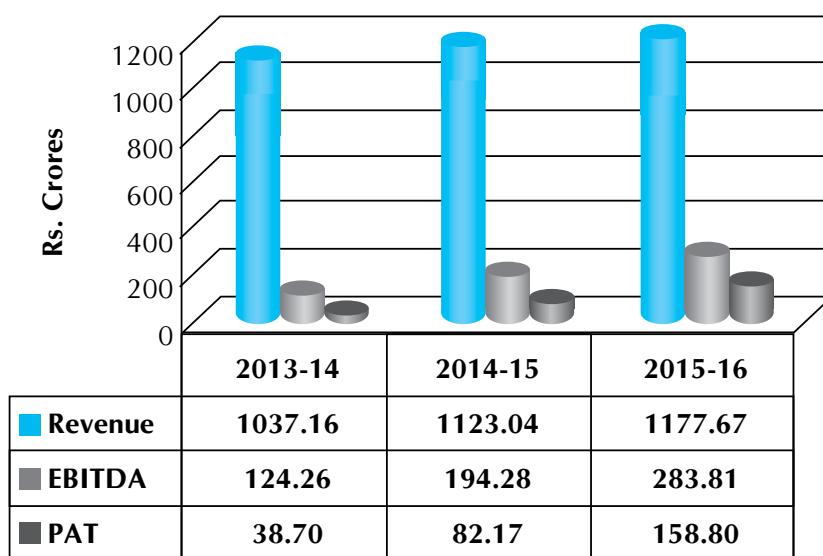
**Highest ever EBITDA :**

Rs.283.81 Crores up 46% over the previous year with 24.77% EBITDA margin

**Highest ever Profit After Tax (PAT)**

Rs. 158.80 Crores which is 58.8% higher than the previous year.

**FINANCIALS**





Product	Production (MT)		Despatches (MT)	
	2015-16	2014-15	2015-16	2014-15
Molten Metal/Pig Iron *	2,59,120	2,18,206	2,60,723	2,16,848
D.I.Pipes	2,25,465	1,69,500	2,24,450	1,70,653
Lam Coke #	1,55,504	1,60,554	1,59,915	1,57,226
Cement \$	87,359	85,770	87,421	86,823
Power (Lakh Units)@	911	919	-	-

\* Despatches include 2,43,793 MT (Previous year 1,89,215 MT) used for captive consumption.

# Despatches include 1,49,982 MT (Previous year 1,34,627 MT) used for captive consumption.

\$ Despatches include 15,399 MT (Previous year 17,924 MT) used for captive consumption.

@ Captive Consumption.

### Operational Performance - Graphic Representation :

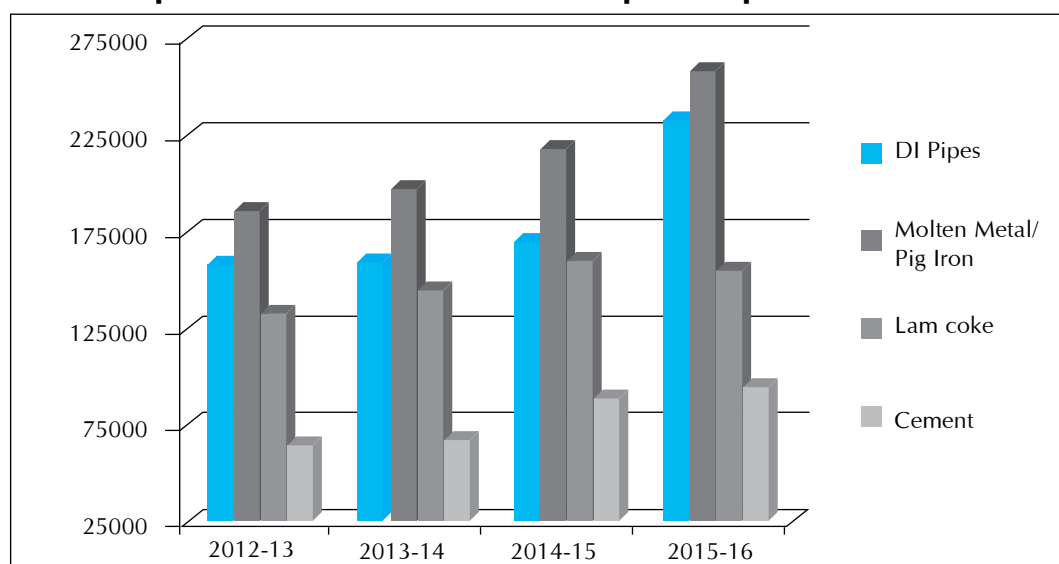


Fig. in MTs.

Year	DI Pipes	Molten Metal/ Pig Iron	Lam coke	Cement
2012-13	157753	178707	125239	66059
2013-14	162892	198036	137339	67396
2014-15	169500	218206	160554	85770
2015-16	225465	259120	155504	87359

Besides, significant increase in the volumes of Ductile Iron Pipes, in its constant endeavour to remain low cost manufacturer, the Company has undertaken various cost reduction measures such as reduction of coke consumption in MBF, HSD oil in DIP, the continued favourable trend in the prices of major raw materials viz. iron ore, coal facilitated the Company in maintaining the lower cost of production.

Apart from reduced cost of production and improved operational efficiency, the lower finance cost, coupled with significant increase in the volumes of Ductile Iron Pipes, the pre-tax profit of your Company has gone up to Rs.214.68 Crs. in the FY 2015-16 as against Rs.119.42 Crs reported in the FY 2014-15.

#### NET WORTH:

Rs. In Crores

Items	FY 2013-14	FY 2014-15	FY 2015-16
Share Capital	39.76	39.76	39.76
Reserves & Surplus (excluding revaluation reserve)	185.72	253.53	388.40
Net worth	225.48	293.29	428.16

**Total Debts:**

**Rs. In Crores**

<b>Debt outstanding as at</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
Term Loans	179.97	109.02
Current Maturities of Long Term Debts	50.01	43.13
Working Capital Loans	198.66	292.50
<b>Total Debts</b>	<b>428.64</b>	<b>444.65</b>

**INDUSTRY OUTLOOK:**

Indian urban sector, water and sewerage infrastructure development has been the key engine of growth acceleration for the DI Pipe Industry. With only around 31% of India population currently urbanized, along with high population density, India's urbanization trends have scope to significantly accelerate. Further, the country faces immense problem of drinking water supplies and has poor transmission and distribution networks for water. The Indian water and sewerage market is growing at the rate of 10% - 12% every year.

According to the Ministry of Water Resources, the requirement of water will increase from 30 billion cubic meter in 2000 to 120 billion cubic meter by 2025. According to the World Bank, the water demand for industrial uses and energy production will touch 228 billion cubic meter by 2025.

In general the purchase of Pipes has been increased and in particular out of total pipe purchases, the share of DI pipes has increased significantly from 33% to 52%.

Your company, being in water infrastructure has been continuously investing in expansion and modernization for its growth.

**National Rural Drinking Water Programme:**

The National Rural Drinking Water Programme (NRDWP) is a flagship programme of the Government with the objective of ensuring provision of safe and

adequate drinking water supply through hand pumps, piped water supply etc. to all rural areas, households and persons. Under this Centrally Sponsored Scheme, financial assistance is provided to States/UTs for coverage of all rural habitations, including quality affected habitations with safe drinking water provision.

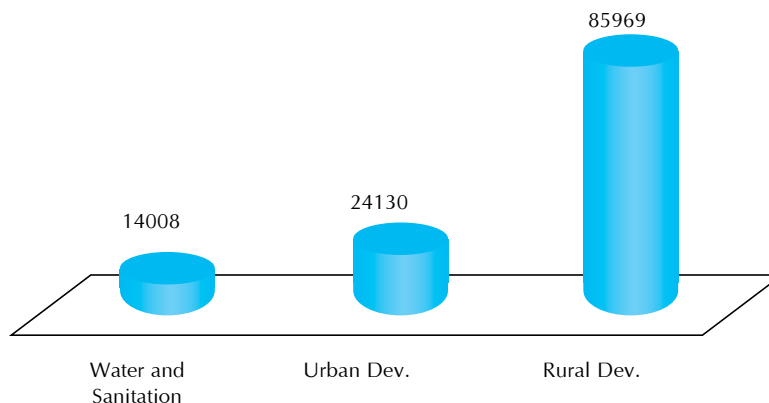
**Telangana Drinking water Supply Project (TDWP):**

Telangana Water grid project is a mammoth project intended to provide a sustainable and permanent solution to the drinking water woes. Telangana Government would ensure tapped water supply to all households across the State in the next three years.

Noting the initiatives taken by the Telangana government for the water corporation, the Centre has appreciated the efforts and suggested other states to consider similar initiatives for implementation in their States.

**Swachh Bharat:**

This is an umbrella Programme, which includes National Rural Drinking Water Programme and Swachh Bharat Abhiyan. Swachh Bharat Abhiyan has urban and rural components. Under Swachh Bharat Abhiyan (earlier known as Nirmal Bharat Abhiyan NBA) Projects have been launched in the entire rural India covering 607 Districts in 31 States/UTs. It is proposed to cover all the districts under this scheme by the end of 12th Plan and set an objective of cent percent sanitation coverage in all rural areas by October, 2019.

**Allocation in Union Budget for drinking water and sanitation, Rural and Urban Development Projects & Schemes:****Budget Allocation 2016-17 (Rs.Crs.)**

The Indian Govt. in its efforts to improve access of potable water, sanitation and the drainage facilities has announced huge allocations in the recent budget on this account. During the last 10 years the Central Govt. had given thrust to improve the urban infrastructure and have been implementing various programs & Schemes in the Water Supply and Sanitation sector besides the state Govts. Schemes. With the continued focus of the Govt. on water supply and sewerage infrastructure development, the growing demand for DI Pipes is likely to continue in the medium and long term. DI Pipes, in view of its inherent features like long service life, high ductility and bursting strength, higher corrosion & abrasion resistance and easy laying, are the preferred choice over other classes of pipes for water and sewerage transportation.

**Strategic investment opportunities / initiatives:**

During the year under review your company initiated further investments in pulverized coal injection (PCI) plant, stove cooling system, etc for Mini Blast Furnace and capacity expansion by adding finishing lines, spinning machines etc., in Ductile Iron Pipe Plant. In its backward integration initiatives it plans to have 2 numbers of 9 MVA Ferro Alloy units. While 25% of Ferro Silicon production will be captively consumed, the company is confident of selling the balance production in domestic and international market. It shall also be in a position to produce and sell another demand product, Silico Manganese from the same units.

Your company shall decide on participating in iron ore mining e-auction in the Karnataka State depending on its viability.

**Raw materials Management :**

The Company strongly believes that effective and efficient functioning of the material management has direct bearing on the total performance of the organization. The Companies Material Management function is operated on an integrated basis and is focused on material forecasting, planning, and inventory control. With coordinated efforts on planning, controlling, organizing procurement of bulk raw materials like coal and iron ore on long term contract/spot market at competitive prices, the cost of raw materials as well as inventory carrying cost has been considerably reduced. Further, efficient operation of Sinter plant coupled with maintaining cost-effective ratio of sinter and lump ore helped the Company in achieving considerable reduction in the cost of raw materials during the year under review, despite increased volumes.

**Quality Management System:**

SPL has in place a well defined and effective Quality management system (QMS), Policies, processes and procedures for every stage of its manufacturing process. The Company believes in the principles of Total Quality Management and major emphasis is given to ensure long term customer loyalty and customer satisfaction.

The Quality Management tools of the Company play a crucial role in improving the quality of products and services. With the help of Quality Management tools, employees collect the data as well as organize the collected data, analyze and identify processes to rectify defects and find solutions to specific problems and the same eventually come to concrete solutions for achieving better quality products. The Company has a well equipped Quality Assurance/Quality Control Division with sophisticated testing equipments and

facilities, besides having in place proven and globally accepted quality assurance systems, Standard Operating Procedures (SOPs) to ensure, through which every stage of manufacturing process is constantly monitored and controlled to ensure that finest quality product is produced in line with customers' requirements.

#### **Health, Safety & Environment (HSE):**

SPL is committed to promote highest level of Health, Safety, Environment with clear emphasis on improving the environment for sustainable development. The safety and Occupational health of its employees and external stakeholders are paramount importance and all these attributes are embedded within the core organizational values. The Company provides appropriate training to employees through in-house programmes as well as by engaging external experts in the field to ensure that the employees are able to fulfill HSE responsibilities. The HSE objectives of the Company accords highest priority to implement a HSE management system and communicate policy to all employees and external stakeholders; Design, construct, operate and maintain its facilities as per the best practice available to ensure safety of all stakeholders, plant, project and surroundings; Promote eco-friendly activities; Comply with relevant statutory rules and regulations on safety, occupational health, environment and go beyond in setting internal targets; Delegate power to all level employees to implement company's HSE policy; Set tangible and measurable targets for monitoring the performance of HSE.

The concept of safety observations has been recently introduced, which is acting as an effective tool in identifying the un-safe acts/conditions across all the plants and employees including Sr. Management people through their active involvement in this activity demonstrate their commitment till the un-safe acts, if any identified are resolved, whereby eliminating many unsafe conditions, which augur well on safety front over a long run. This exercise has already started giving fruitful results and proving instrumental in improving safety standards of the plant.

It has been the constant endeavour of the Company to minimise the environmental impact of its operations through adoption of sustainable practices and continuous improvement in environmental performance. Care for environment is embedded in the Company's vision. The Company acknowledges the fact that carrying capacity of nature is finite and that industry has to play an important role in protecting the environment and has to avoid disturbing the ecosystem as a result of its operations. We continue to focus on operational excellence aimed at resource and energy efficiency, along with recovery, reuse and recycling of waste to

minimise the ecological footprint of the organisation. 100% of our manufacturing operations are certified by ISO 14001.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

SPL believes in integrating its business values and operations to meet the expectations of all its stakeholders. The Company is committed to ensure that the society benefits from the Company's presence in their neighbourhood. The CSR initiatives mainly focus on thrust areas – Education, Health, Livelihoods and Rural & Urban infrastructure, besides it also emphasizes on animal welfare, disaster relief and environmental protection. The Company is responsible and determined to conduct its business in an accountable manner that creates a sustained positive impact on society.

#### **INFORMATION TECHNOLOGY :**

SPL recognizes the fact that self-reliance in technology is a pre-requisite for growth, especially in the context of globalization and expanding operations. With great emphasis on making products and processes more efficient and sustainable, our Technology Road map identifies projects aimed at increasing raw materials security and operational excellence. The Company continues to leverage Information Technology (IT) as a key enabler of its strategy, business growth and competitiveness. IT provides employees, customers, suppliers, dealers and business partners with best in class technology solutions. The Group companies are working together in the areas of ERP and all the Modules of SAP R/3 are being effectively implemented and the Company is able to reap desired benefits from ERP solutions in all the facets of its operations.

#### **HUMAN RESOURCES MANAGEMENT:**

The Human Resources Management (HRM) function of the Company is playing an effective role in striking a balance between business needs and individual aspirations. It focuses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. Programmes for physical and emotional well-being, and professional counselling services were launched in the interest of the employees' changing needs. The Company initiated multiple actions to keep the workforce engaged. Actions are being taken for improving employee skills and enhancing employee productivity. In addition, policies are being implemented to support affirmative action through training and enabling employment.

**RISKS AND CONCERN :**

This has been dealt with separately in the Annual Report under "Risk Management".

**INTERNAL CONTROL SYSTEM AND ITS ADEQUACY :**

The Company has in place a robust internal control system which is aligned with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations. The controls are continuously reviewed and strengthened as per the needs arising from time to time. We have in place adequate internal financial controls with reference to financial statements. Extensive use of latest IT technology is the heart of the Internal control and business process. All transactions in the company are carried out on SAP R/3 ERP based business portal. Proper and adequate system of internal control exists to ensure that all aspects are safeguarded and protected against loss from unauthorized use or disposition and that each transaction is authorized, recorded and reported. This ensures accurate recording and integrity of financial reporting, consistency in processes and internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports and ensures compliance with statutory laws, regulations and company policies.

We have an Internal Audit by an Independent audit firm besides external Audit to check and monitor the internal controls adopted by the company and also to find out the lapses in all areas of operations. It also reviews internal controls, systems and procedures throughout the year.

**OPPORTUNITIES & THREATS:**

Water and sewerage infrastructure development being the thrust area of the Central & State Govts across the country, attract considerable allocation of funds for various Govt. sponsored Water Projects and Schemes. Further, in view of upcoming water supply projects in southern states, particularly in Telngana and Andhra Pradesh, where the Company has already established its strong presence, it is expected that there will be robust demand for DI Pipes in the coming years. The Company being a long timer in DI Pipes market having good track record in executing huge orders on time and being cost competitive, is hopeful of its positive growth.

Economic growth, Demand for water, Urbanization, Improvement in water supply and sanitation coverage, Awareness on safety and hygiene, Investment by the Central and State Govt.'s in water and sanitation schemes, Interlinking of rivers etc., will influence the demand drivers for DI pipes.

The Govt. of India's proposal to link 37 rivers through 30 links is one of the largest water project in the world. Once this project is set in motion, there will be an uninterrupted demand for DI pipes.

Total global DI pipe production is about 5.4 million TPA, out of which dependence on import by various countries is about 5,00,000 TPA.

However, the capacity additions in the domestic DI Pipes Industry will be a cause of concern for the Company, which impact its margins.

**OUTLOOK :**

After the successful completion of the ongoing CAPEX Programme of Rs.100 cores, which is already under implementation, the production capacity of ductile Iron Pipes shall go up substantially from 2,25,000 TPA to 3,00,000 TPA. Besides increased volumes, the cost saving measures like Pulverized Coal Injection facility in MBF and fuel saving measures in Ductile Iron Pipe Plant would help the Company to remain competitive in the industry.

The Company has already bagged orders worth Rs.1151 Crores for supply of pipes to various water supply projects of Telangana Government, thereby establishing a comfortable order book.

Further, in view of upcoming ambitious water supply projects, Amaravathi Capital Development Projects and infrastructure projects in 100 Smart Cities and 500 other Cities under AMRUT (Atal Mission for Rejuvenation and Urban Transformation) of Central Govt, the Company is hopeful of maintaining comfortable order position.

The investment allocation by the Govt. in the current five year plan to water supply & sanitation is INR 423 Bn. Constituting a 21% growth rate which is higher than the year wise growth rate of 15% during the last five year plan. Based on past records, the demand for DI pipes used in a large way for the transportation of water is expected to grow by 15 to 20% year on year.

Your Company is in the business of manufacture and supply of DI Pipes, which are widely used in water and sewerage transportation. With the thrust given by the State and Central Governments for water infrastructure and sewerage projects and the Company being the low cost producer of quality Ductile Iron Pipes, the Company is optimistic of its future.

**CAUTIONARY STATEMENT :**

Statements in the Management Discussion and Analysis and Directors Report describing the estimates, assumptions, expectations, projections are forward-looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those stated expressed or implied in the report. The important factors that may influence the Company's

operations include demand and supply conditions in the domestic market, major raw material availability and prices, changes in Govt. regulations, tax laws, political stability and Govt's emphasis on allocation of funds for water infrastructure projects. The Company is not responsible for revising any forward-looking statements from time to time on the basis of any events or developments.

## ANNUAL REPORT ON CSR INITIATIVES

**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. The Company's social investment strategy is based on its 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 Health Care & Sanitation, Drinking Water, Education, Livelihood Enhancement, Environmental Sustainability & Rural development projects and animal welfare. 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 the schedule VII of the Companies Act, 2013, 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](http://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.G.Maruthi Rao, Non-executive Independent Director & 3) Mr.R.K.Khanna, Non-executive Independent Director.
- 3. Average Net Profit of the company for last 3 financial years : Rs.5066.52 Lakhs**
- 4. Prescribed CSR expenditure (2% of the amount as in 3 above) : Rs.101.33 Lakhs**

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

- Total amount to be spent for the FY : Rs.101.33 Lakhs
- Amount un-spent, if any : Rs.50.80 Lahs
- Manner in which the amount spent during the financial year is detailed below:-

Fig. in INR

1	2	3	4	5	6	7	8
Sl.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 or programs (2) overheads :	Cumulative exp upto the reporting date	Amount spent direct or through implementing agency
1	Organizing Medical camps in nearby villages and contribution to Govt. Hospital.	Medical and Health care	Local Area - Chittoor Dist- Andhra Pradesh	175334	175334	175334	Direct
2	School Bldg. Development Infrastructure facilities, Teachers Stipends,etc	Promoting Education	Local Area - Chittoor Dist- Andhra Pradesh	309330	309330	309330	Direct
3	Local Village development	Rural Development Project	Local Area - Chittoor Dist- Andhra Pradesh	972308	972308	972308	Direct
4	Extending support to Temples and for organizing local cultural festivals etc.,	Protection of heritage, art and culture	Local Area - Chittoor Dist- Andhra Pradesh	1217000	1217000	1217000	Direct
5	Contribution for Flood Relief	Flood Relief and Rehabilitation	Chennai - Tamil Nadu	791200	791200	791200	Direct
6	Contribution for Animal Rehabilitation Center	Animal Welfare/Rural Development Project	Local Area - Chittoor Dist- Andhra Pradesh	1587897	1587897	1587897	Direct
			<b>Total</b>	<b>5053069</b>	<b>5053069</b>	<b>5053069</b>	

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.

Mayank Kejriwal  
Managing Director  
DIN 00065980

G.S.RATHI  
Chairman CSR Committee  
DIN 00083992



**FORM NO. AOC-2**  
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

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

Sl.No.	Name of the related party	Nature of Relationship	Nature of Transaction	Duration of the contract/transaction	Value (Rs. in Lakhs)	Date of approval by the Board, if any	Amount paid as advance, if any
1	Electrosteel Castings Limited	Associate Company	Sale of goods	01-04-15 to 31.03.16	6163.69	30.04.2015	-
2	Electrosteel Castings Limited	Associate Company	Purchase of goods	01-04-15 to 31.03.16	1370.98	30.04.2015	-
3	Electrosteel Castings Limited	Associate Company	Interest receivable on high sea sale	01-04-15 to 31.03.16	302.37	30.04.2015	-
4	Electrosteel Castings Limited	Associate Company	Others (Reimbursement of expenses)	01-04-15 to 31.03.16	12.03	30.04.2015	-
5	Electrosteel Castings Limited	Associate Company	Rent Paid	01-04-15 to 31.03.16	0.76	30.04.2015	-
6	Amit Trexim Pvt Ltd.	----	Rent Paid	01-04-15 to 31.03.16	5.73	04.02.2016	-

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

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

Name of Director	Ratio
Mr. Mayank Kejriwal	532.48
Mr. G.Maruthi Rao	3.96
Mr. G.S.Rathi	59.14
Mr.S.Y.Rajagopalan	3.86
Mr.R.K.Khanna	3.69
Mrs.S.Hemamalini	2.39

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

Name of Director / KMP	Designation	% of increase
Mr. Mayank Kejriwal	Managing Director	84.90
Mr. G.Maruthi Rao	Non Executive and Independent Director	31.53
Mr. G.S.Rathi (a)	Whole-time Director	---
Mr.S.Y.Rajagopalan	Non Executive and Non Independent Director	37.86
Mr.R.K.Khanna	Non Executive and Independent Director	22.52
Mrs.S.Hemamalini (b)	Non Executive and Independent Director	---
Mr.A.R.Surana (c)	Chief Financial Officer & Company Secretary	8.0
Mr.Manoj K Shaha (d)	Company Secretary	--
Mr.K.Raghuram (d)	Company Secretary	--

- (a) Appointed as Whole-time Director w.e.f. 1st July, 2015. Percentage of increase is not comparable, as till 31st March, 2015, he was entitled for only sitting fees and w.e.f. 1st July, 2015, he is being paid remuneration within the limits prescribed under Section 197/198 of the Companies Act, 2013. Hence % of increase is not given.
- (b) No commission was paid to her during the FY 2014-15, since she joined the Board w.e.f. 17th March, 2015. Hence % of increase is not given.
- (c) Mr.A.R.Surana ceased to be the Company Secretary w.e.f. close of working hours of 30th September, 2015 and continued to serve the Company as Chief Financial Officer
- (d) Mr. Manoj K Shah was appointed as Company Secretary w.e.f. 1st October, 2015 and on his resignation, relieved from the position with effect from 1st January, 2016. Mr.K.Raghuram was appointed as Company Secretary w.e.f. 4th February, 2016. Hence increase in their respective remuneration is not given.

3. The percentage increase in the median remuneration of all employees in the financial year 2015 was 15.80%.
4. Number of permanent employees on the rolls of company are 1361 as on 31st March, 2016.
5. The Company's profit after tax for the year ended FY 2014-15 was Rs.82.98 Crs as against Rs.38.70 Crs for FY 2013-14. Considering the improved financial performance of the Company and also to compensate for the inflation rate, an average increment of 11.88% has been given in FY 2015-16 to the employees.

6. Remuneration to Managing Director, by way of commission not exceeding 5% of net profits of the Company for the relevant financial year, as specified under Section 197 and 198 of the Companies Act 2013, has been approved by the Shareholders in the AGM held on 27th September 2014. With the improved profitability during the FY 2015-16, the commission has been provided read with Section V of Schedule V, which is 84.90% higher than the commission paid in the FY 2014-15.

Considering the improved financial performance of the Company and also to compensate for the inflation rate, an increment of 8% has been given to Mr.A.R.Surana, who served as Company Secretary till 30th September, 2015, besides being the Chief Financial Officer of the Company.

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

Particulars	FY 2014 – 15	FY 2015 – 16
Market Capitalization #	Rs.578.56 Crs	Rs.898.66 Crs
EPS	Rs.20.65	Rs.39.94
Price Earnings Ratio	7.05	5.66

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

8. 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.
9. 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.
10. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable.
11. The remuneration is as per the Remuneration Policy of the Company.

**Annexure VI to Directors' Report**

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016.

**A. CONSERVATION OF ENERGY:-**

**a) Energy conservation Measures taken:**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at different units in the plant and offices of the Company by undertaking specific energy conservation methods that include:-

- Installed Steam line from 12 MW CPP and surplus steam is effectively utilized to increase power generation by 0.5 MW.
- Goliath cranes are installed at DIP despatch yard and replaced mobile escort movement, whereby eliminating use of HSD.
- Use of transparent roof sheets to make use of natural lighting.
- Installed New Multi Grade Filter at 12 MW CPP, re-cycled rejected water of 60 KL/day and re used in cooling tower.
- MBF Cast house de-dusting system (Bag house) installed, recovering dust & re-used.
- APFC 250 KVAR capacitors installed at COP HT side to maintain the power factor. Commissioned 400 kva capacitor bank for LT Transformer at DIP to increase the power factor.
- Auto system adopted for,
  1. FL-5 & 3 zinc spray gun to minimise the zinc consumption.
  2. DIP New Core Shooter by Chinese technology to reduce manual handling.
  3. Panel ACs and achieved 30% saving on units consumption at COP.
  4. DIP Hydraulic power pack to optimize the oil consumption.
- Installed VFD drives at spinning machines PT trolleys, I/F de-dusting, FL-5 zinc coating.

- Installed 17200 W LED bulbs in place of HPSV fittings.
- Installed VFDs at cooling tower MCW pump at 12 MW CPP to achieve energy saving.

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

- Installation of BFG burners in soaking zone of the Annealing Furnace for effective utilization of BF Gas and reduce HSD consumption.
- Introducing auto zinc gun movement to improve zinc recovery in finishing lines.
- Introducing further drives and power Capacitors to improve energy efficiency and to improve power factor.
- Adding VFD drives at Magnesium de dusting system, Converter 1&2, Zinc de dusting systems in finishing lines.
- Gradually increasing the LED systems to replace all conventional bulbs across the complex to reduce power consumption.

It has been the constant endeavour of the Company to be more determined on promotion and implementation of energy conservation measures on a sustainable basis.

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

The energy conservation measures has resulted in improved Production, quality and cost reduction through better utilization of resources, reduction in operating cost, besides facilitating energy saving and pollution free environment.

**B. TECHNOLOGY ABSORPTION:-**

The company has absorbed Chinese Technology for Spinning Machine and additional finishing line installed during the year.

**C. FOREIGN EXCHANGE EARNING & OUTGO:**

Foreign Exchange Earning and outgo (Rs. in Lakhs):	2015-16	2014-15
i) Foreign Exchange Earning	-	-
ii) Foreign Exchange Used	<b>29,928.76</b>	28,256.48

Form No. MR - 3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To,  
The Members,  
Srikalahasthi Pipes Limited  
(Formerly Lanco Industries Limited)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Srikalahasthi Pipes Limited (formerly Lanco Industries 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, 2016 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, 2016, wherever applicable, 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, 2015;
  - (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).
- (vii) Employees' State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- (viii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' Provident Funds Scheme, 1952;
- (ix) The Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- (x) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- (xi) Income Tax Act, 1961 and rules made thereunder;
- (xii) Service Tax Act, 1994 and rules made thereunder;
- (xiii) A.P. Shops and Establishment Act, 1988;
- (xiv) The Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- (xv) The Special Economic Zones Act, 2005 and rules made thereunder;

**Annexure – VII to Directors' Report**

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

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

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

I further report that The Board of Directors of the Company is duly constituted with proper balance of

Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

Place: Hyderabad  
Date: 09.05.2016

Signature:

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

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31st March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sl.No.	Name & Description of Main products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Ductile Iron Pipes	24311	85%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

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

**i) Category wise shareholding**

CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
<b>A. PROMOTER AND PROMOTER GROUP</b>									
1) INDIAN									
Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	20193178	0	20193178	50.78	20193178	0	20193178	50.78	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total A(1) :</b>	<b>20193178</b>	<b>0</b>	<b>20193178</b>	<b>50.78</b>	<b>20193178</b>	<b>0</b>	<b>20193178</b>	<b>50.78</b>	<b>0.00</b>
2) FOREIGN									
Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total A=A(1)+A(2)</b>	<b>20193178</b>	<b>0</b>	<b>20193178</b>	<b>50.78</b>	<b>20193178</b>	<b>0</b>	<b>20193178</b>	<b>50.78</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
1) INSTITUTIONS									
Mutual Funds /UTI	0	3625	3625	0.01	286	3625	3911	0.01	0.00
Financial Institutions /Banks	58938	10225	69163	0.17	74158	10225	84383	0.21	-0.04
Central Government / State Government(s)	243750	450	244200	0.61	243750	450	244200	0.61	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	417911	9700	427611	1.08	582849	9700	592549	1.49	-0.41
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total B(1) :</b>	<b>720599</b>	<b>24000</b>	<b>744599</b>	<b>1.87</b>	<b>901043</b>	<b>24000</b>	<b>925043</b>	<b>2.32</b>	<b>-0.45</b>



CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
2) NON-INSTITUTIONS									
Bodies Corporate	5846208	218196	6064404	15.25	5296491	218196	5514687	13.87	1.38
Individuals									
(i) Individuals holding nominal share capital upto Rs.1 lakh	5897395	319420	6216815	15.63	6340584	306365	6646949	16.73	-1.08
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5543028	37250	5580278	14.03	5359810	0	5359810	13.48	0.55
Others									
CLEARING MEMBERS	140445	0	140445	0.35	84065	0	84065	0.21	0.14
NON RESIDENT INDIANS	725162	98714	823876	2.07	941099	98714	1039813	2.61	-0.54
TRUSTS	0	0	0	0.00	50	0	50	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total B(2) :</b>	<b>18152238</b>	<b>673580</b>	<b>18825818</b>	<b>47.34</b>	<b>18022099</b>	<b>623275</b>	<b>18645374</b>	<b>46.90</b>	<b>0.45</b>
<b>Total B=B(1)+B(2) :</b>	<b>18872837</b>	<b>697580</b>	<b>19570417</b>	<b>49.22</b>	<b>18923142</b>	<b>647275</b>	<b>19570417</b>	<b>49.22</b>	<b>0.00</b>
<b>Total (A+B) :</b>	<b>39066015</b>	<b>697580</b>	<b>39763595</b>	<b>100.00</b>	<b>39116320</b>	<b>647275</b>	<b>39763595</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by custodians, against which Depository receipts have been issued</b>									
Promoter and Promoter Group Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A+B+C) :</b>	<b>39066015</b>	<b>697580</b>	<b>39763595</b>	<b>100.00</b>	<b>39116320</b>	<b>647275</b>	<b>39763595</b>	<b>100.00</b>	

**ii. Shareholding of Ppromoters & Promoter Group**

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

**iii. Change in Promoters' Shareholding:**

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

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

Sl.No.	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
1	AVIS-TIE UP PRIVATE LIMITED	3435000	8.64	01/04/2015			3435000	8.64
				07/08/2015	-255000	Transfer	3180000	8.00
				14/08/2015	-45000	Transfer	3135000	7.88
				27/11/2015	-170000	Transfer	2965000	7.46
				31/12/2015	-288638	Transfer	2676362	6.73
				01/01/2016	-91037	Transfer	2585325	6.50
				08/01/2016	-121819	Transfer	2463506	6.20
				15/01/2016	-10500	Transfer	2453006	6.17
				31/03/2016			2453006	6.17
				2	AJAY UPADHYAYA	600000	1.51	01/04/2015
15/05/2015	-30000	Transfer	570000					1.43
26/06/2015	2550	Transfer	572550					1.44
30/06/2015	14304	Transfer	586854					1.48
25/09/2015	6246	Transfer	593100					1.49
30/09/2015	6900	Transfer	600000					1.51
25/12/2015	-8000	Transfer	592000					1.49
31/12/2015	-30000	Transfer	562000					1.41
01/01/2016	-4000	Transfer	558000					1.40
08/01/2016	-20000	Transfer	538000					1.35
15/01/2016	-32000	Transfer	506000					1.27
22/01/2016	-26000	Transfer	480000					1.21
29/01/2016	-16000	Transfer	464000					1.17
05/02/2016	-20000	Transfer	444000					1.12
12/02/2016	-19999	Transfer	424001					1.07
19/02/2016	-16001	Transfer	408000					1.03
26/02/2016	-8000	Transfer	400000	1.01				
31/03/2016			400000	1.01				

Sl.No.	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
3	ANIL KUMAR GOEL	485072	1.22	01/04/2015			485072	1.22
				01/05/2015	29928	Transfer	515000	1.30
				08/05/2015	4000	Transfer	519000	1.31
				15/05/2015	3141	Transfer	522141	1.31
				19/06/2015	2859	Transfer	525000	1.32
				28/08/2015	15000	Transfer	540000	1.36
				11/09/2015	22000	Transfer	562000	1.41
				18/09/2015	13000	Transfer	575000	1.45
				02/10/2015	3993	Transfer	578993	1.46
				09/10/2015	10	Transfer	579003	1.46
				23/10/2015	-1003	Transfer	578000	1.45
				06/11/2015	7000	Transfer	585000	1.47
				13/11/2015	5000	Transfer	590000	1.48
				11/12/2015	1000	Transfer	591000	1.49
				05/02/2016	1000	Transfer	592000	1.49
				12/02/2016	6800	Transfer	598800	1.51
				19/02/2016	7830	Transfer	606630	1.53
				26/02/2016	27628	Transfer	634258	1.60
				04/03/2016	2742	Transfer	637000	1.60
				11/03/2016	8000	Transfer	645000	1.62
18/03/2016	16721	Transfer	661721	1.66				
31/03/2016	45327	Transfer	707048	1.78				
31/03/2016			708066	1.78				
4	UPENDRANATH NIMMAGADDA	447946	1.13	01/04/2015			447946	1.13
				31/03/2016			447946	1.13
5	VIJAY AGGARWAL	408000	1.03	01/04/2015			408000	1.03
				05/06/2015	-400000	Transfer	8000	0.02
				18/12/2015	-3500	Transfer	4500	0.01
				31/03/2016			4500	0.01
6	NIRMAL BANG FINANCIAL SERVICES PVT LTD (@)	8507	0.02	01/04/2015			8507	0.02
				17/04/2015	-3006	Transfer	5501	0.01
				24/04/2015	6	Transfer	5507	0.01
				01/05/2015	-1000	Transfer	4507	0.01
				22/05/2015	1000	Transfer	5507	0.01
				05/06/2015	400000	Transfer	405507	1.02
				12/06/2015	-507	Transfer	405000	1.02
				19/06/2015	600	Transfer	405600	1.02
				03/07/2015	-2000	Transfer	403600	1.01
				28/08/2015	-3600	Transfer	400000	1.01
				04/09/2015	475	Transfer	400475	1.01
				25/09/2015	2	Transfer	400477	1.01
				30/09/2015	-475	Transfer	400002	1.01
				23/10/2015	9470	Transfer	409472	1.03
				30/10/2015	7	Transfer	409479	1.03
				06/11/2015	-4000	Transfer	405479	1.02
				13/11/2015	300	Transfer	405779	1.02
				20/11/2015	-2	Transfer	405777	1.02
				27/11/2015	1300	Transfer	407077	1.02
				04/12/2015	-1300	Transfer	405777	1.02
				15/01/2016	2	Transfer	405779	1.02
				29/01/2016	-50000	Transfer	355779	0.89
				05/02/2016	50000	Transfer	405779	1.02
18/03/2016	101500	Transfer	507279	1.28				
25/03/2016	-164000	Transfer	343279	0.86				
31/03/2016	44000	Transfer	387279	0.97				
31/03/2016			387279	0.97				

Sl.No.	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
7	MORGAN STANLEY ASIA (SINGAPORE) PTE.	360333	0.91	01/04/2015			360333	0.91
				10/04/2015	24586	Transfer	384919	0.97
				17/04/2015	43115	Transfer	428034	1.08
				24/04/2015	20859	Transfer	448893	1.13
				01/05/2015	14780	Transfer	463673	1.17
				08/05/2015	-11747	Transfer	451926	1.14
				05/06/2015	-14050	Transfer	437876	1.10
				30/06/2015	-16670	Transfer	421206	1.06
				03/07/2015	-14672	Transfer	406534	1.02
				10/07/2015	-17453	Transfer	389081	0.98
				24/07/2015	-12867	Transfer	376214	0.95
				31/07/2015	-54530	Transfer	321684	0.81
				07/08/2015	171661	Transfer	493345	1.24
				14/08/2015	61712	Transfer	555057	1.40
				21/08/2015	-5431	Transfer	549626	1.38
				04/09/2015	44226	Transfer	593852	1.49
				11/09/2015	16000	Transfer	609852	1.53
				18/09/2015	14870	Transfer	624722	1.57
				30/09/2015	7691	Transfer	632413	1.59
				09/10/2015	-13133	Transfer	619280	1.56
				16/10/2015	-27344	Transfer	591936	1.49
				23/10/2015	-18631	Transfer	573305	1.44
				30/10/2015	-63496	Transfer	509809	1.28
				06/11/2015	-3498	Transfer	506311	1.27
				13/11/2015	5431	Transfer	511742	1.29
				20/11/2015	19077	Transfer	530819	1.33
				27/11/2015	5800	Transfer	536619	1.35
				04/12/2015	1503	Transfer	538122	1.35
				25/12/2015	5392	Transfer	543514	1.37
				31/12/2015	5300	Transfer	548814	1.38
				08/01/2016	40838	Transfer	589652	1.48
				15/01/2016	-12276	Transfer	577376	1.45
				22/01/2016	-5215	Transfer	572161	1.44
29/01/2016	-42078	Transfer	530083	1.33				
05/02/2016	4326	Transfer	534409	1.34				
12/02/2016	-10337	Transfer	524072	1.32				
19/02/2016	-18374	Transfer	505698	1.27				
26/02/2016	-115396	Transfer	390302	0.98				
04/03/2016	-141506	Transfer	248796	0.63				
11/03/2016	-101550	Transfer	147246	0.37				
18/03/2016	-38116	Transfer	109130	0.27				
25/03/2016	-66187	Transfer	42943	0.11				
31/03/2016	-30442	Transfer	12501	0.03				
31/03/2016			12501	0.03				
8	DOLLY KHANNA	345785	0.87	01/04/2015			345785	0.87
				08/05/2015	4650	Transfer	350435	0.88
				15/05/2015	2850	Transfer	353285	0.89
				24/07/2015	6350	Transfer	359635	0.90
				31/07/2015	6307	Transfer	365942	0.92
				07/08/2015	31227	Transfer	397169	1.00
				14/08/2015	2854	Transfer	400023	1.01
				21/08/2015	7646	Transfer	407669	1.03
				11/09/2015	1200	Transfer	408869	1.03
				30/09/2015	-2500	Transfer	406369	1.02
				06/11/2015	-6000	Transfer	400369	1.01
				18/12/2015	-6000	Transfer	394369	0.99
				15/01/2016	13000	Transfer	407369	1.02
				22/01/2016	9000	Transfer	416369	1.05
				29/01/2016	5971	Transfer	422340	1.06
				05/02/2016	3529	Transfer	425869	1.07
				12/02/2016	1000	Transfer	426869	1.07
19/02/2016	2000	Transfer	428869	1.08				
26/02/2016	2000	Transfer	430869	1.08				
04/03/2016	11300	Transfer	442169	1.11				
11/03/2016	14285	Transfer	456454	1.15				

Sl.No.	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
9	ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION	243750	0.61	18/03/2016	13000	Transfer	469454	1.18
				25/03/2016	4400	Transfer	473854	1.19
				31/03/2016	17960	Transfer	491814	1.24
				31/03/2016			491814	1.24
				01/04/2015			243750	0.61
				31/03/2016			243750	0.61
10	VINITHRA SEKHAR	200000	0.50	01/04/2015			200000	0.50
				30/06/2015	-250	Transfer	199750	0.50
				14/08/2015	-7750	Transfer	192000	0.48
				20/11/2015	-5000	Transfer	187000	0.47
				31/03/2016			187000	0.47
11	BANG SECURITIES PVT.LTD . (\$)	186066	0.47	01/04/2015			186066	0.47
				06/11/2015	-26133	Transfer	159933	0.40
				13/11/2015	-123592	Transfer	36341	0.09
				20/11/2015	-36341	Transfer	0	0.00
				31/03/2016			0	0.00
12	PRADEEP KUMAR AGARWAL	161800	0.41	01/04/2015			161800	0.41
				30/06/2015	8200	Transfer	170000	0.43
				10/07/2015	-5000	Transfer	165000	0.41
				28/08/2015	100	Transfer	165100	0.42
				18/09/2015	400	Transfer	165500	0.42
				25/09/2015	-500	Transfer	165000	0.41
				30/09/2015	200	Transfer	165200	0.42
				09/10/2015	300	Transfer	165500	0.42
				06/11/2015	-500	Transfer	165000	0.41
				04/12/2015	-1000	Transfer	164000	0.41
				18/12/2015	2000	Transfer	166000	0.42
				01/01/2016	-500	Transfer	165500	0.42
				05/02/2016	-1000	Transfer	164500	0.41
				12/02/2016	1000	Transfer	165500	0.42
				31/03/2016	5500	Transfer	171000	0.43
				31/03/2016			171000	0.43
13	THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SY (@)	0	0.00	01/04/2015			0	0.00
				22/05/2015	25780	Transfer	25780	0.06
				29/05/2015	8942	Transfer	34722	0.09
				19/06/2015	22403	Transfer	57125	0.14
				03/07/2015	17181	Transfer	74306	0.19
				25/09/2015	16100	Transfer	90406	0.23
				13/11/2015	31082	Transfer	121488	0.31
				11/12/2015	26030	Transfer	147518	0.37
				18/12/2015	13390	Transfer	160908	0.40
				26/02/2016	-8942	Transfer	151966	0.38
				31/03/2016			151966	0.38

(#) The Company is listed and 98.37% shareholding is in dematerialized form. The net positions (Increase/decrease) provided above is based on the weekend positions as received from the Depositories.

(@) Not in the list of top 10 shareholders as on 01.04.2015. The details are provided above, as the shareholder was one of the top 10 shareholders as on 31.03.2016.

(\$) Ceased to be in the list of top 10 shareholders as on 31.03.2016. The details are provided above, as the shareholder was one of the top 10 shareholders as on 01.04.2015.

**v. Shareholding of Directors and Key Managerial Personnel :**

Sl.No.	Name of the Director / KMP	Opening Bal. as at 01.04.2015	Change in Shareholding during the year			Cumulative	Closing Bal. as at 31.03.2016
		No. Shares & (%)	Date of dealing	Reasons for change	No. Shares & (%)	No. Shares & (%)	No. Shares & (%)
1	Mayank Kejriwal	-	-	-	-	-	-
2	G.Maruthi Rao	-	-	-	-	-	-
3	Gouri Shankar Rathi	15000 (0.038)	04.09.15	Purchase	1000 (0.0025)	16000 (0.040)	16000 (0.040)
4	S.Y.Rajagopalan	-	-	-	-	-	-
5	R.K.Khanna	-	-	-	-	-	-
6	S.Hemamalini	-	-	-	-	-	-
7	Shamsher Singh Rawat	-	-	-	-	-	-
8	Atosh R Surana	100	-	-	-	-	100
9	K.Raghuram	-	-	-	-	-	-

**V. INDEBTEDNESS :**

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

**Rs. in Lakhs**

At the beginning of the FY	Secured loans excl. deposits	Un-secured loans	Deposits	Total
Principal amount	42863.77	---	---	42863.77
Interest due but not paid	---	---	---	---
Interest accrued but not due	323.51	---	---	323.51
<b>Total</b>	<b>43187.28</b>	---	---	<b>43187.28</b>
<b>Changes during the FY :</b>				
Addition	9383.96	---	---	9383.96
Deletion	7782.36	---	---	7782.36
<b>Net Change</b>	<b>1601.60</b>	---	---	<b>1601.60</b>
At the end of the FY				
Principal amount	44465.37	---	---	44465.37
Interest due but not paid	---	---	---	---
Interest accrued but not due	362.71	---	---	362.71
<b>Total</b>	<b>44828.08</b>	---	---	<b>44828.08</b>

**VI. Remuneration of Directors and Key Managerial Personnel :**

**A) Remuneration to Managing Director:**

Sl.No.	Particulars of remuneration	Name of MD/WTD/Manager	Amount in Rs.
		Mayank Kejriwal, MD	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.		---
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961.		---
	Profits in lieu of salary U/S 17 (3) of the Income Tax Act, 1961		---
2	Stock option		---
3	Sweat Equity		---
4	Commission		---
	- As % of profit - Others (Specify)		9,80,00,000
5	Others – Specify		---
	<b>Total</b>		<b>9,80,00,000</b>
	Ceiling as per the Act		<b>9,85,06,000</b>

**B) Remuneration to Whole-Time Director:**

Sl.No.	Particulars of remuneration	Name of MD/WTD/Manager	Amount in Rs.
		Gouri Shankar Rathi, Whole-time Director #	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.		1,07,77,500
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961.		1,02,655
	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		---
	Total		<b>1,08,80,155</b>
	Ceiling as per the Act		<b>10,65,06,000</b>

# Mr.Gouri Shankar Rathi was appointed as Whole-time Director with effect from 1st July, 2015

**C) Remuneration to other Directors :**

**Amount in Rs.**

Sl.No.	Particulars of remuneration				Total Amount
1	<b>Independent Directors</b>	G.Maruthi Rao	R.K.Khanna	S.Hemamalini	---
	• Fee for Attending Board & Committee Meetings	4,30,000	3,80,000	1,40,000	9,50,000
	• Commission	4,00,000	4,00,000	4,00,000	12,00,000
	• Others - Specify	---	---	---	---
	<b>Total (1)</b>	<b>8,30,000</b>	<b>7,80,000</b>	<b>5,40,000</b>	<b>21,50,000</b>
2	<b>Other Non-Executive Directors</b>	S.Y.Rajagopalan	G.S.Rathi #	---	---
	• Fee for Attending Board & Committee Meetings	4,10,000	75,000	---	4,85,000
	• Commission	4,00,000	---	---	4,00,000
	• Others - Specify	---	---	---	---
	<b>Total (2)</b>	<b>8,10,000</b>	<b>75,000</b>	<b>---</b>	<b>8,85,000</b>
	<b>Total (C) = (1+2)</b>	<b>16,40,000</b>	<b>8,55,000</b>	<b>5,40,000</b>	<b>30,35,000</b>
	<b>Total Managerial Remuneration (A+B+C)</b>		---	---	<b>11,19,15,155</b>
	<b>Overall Ceiling as per the Act.</b>		---	---	<b>22,71,56,812</b>

# Status of Mr.G.S.Rathi has been changed from Non-executive Director to Executive Director on becoming Whole-time Director with effect from 1st July, 2015. The sitting fee paid to him pertains to Board and Committee meetings (Where he has been a member) attended by him during April'15 - June'15.

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

**Amount in Rs.**

Sl.No.	Particulars of remuneration	Key Managerial Personnel			Total
		CFO	Company Secretary		
		Atosh R Surana	Manoj K Shah	K.Raghuram	
1	Gross Salary (Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961)	38,77,648	4,80,328*	4,09,305*	<b>47,67,281</b>
	Value of perquisites U/S 17(2) of the Income Tax Act, 1961	2,51,109	---	---	<b>2,51,109</b>
	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	---	---	---	---
	<b>Total</b>	<b>41,28,757</b>	<b>4,80,328</b>	<b>4,09,305</b>	<b>50,18,390</b>
	Ceiling as per the Act	---	---	---	---

\* Employed part of the year

**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.



## RISK MANAGEMENT

Company strongly believes that in today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The Company is continuously focused on identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of risks associated with its business.

### RAW MATERIAL RISK

In view of un-predictability in the price and availability of major raw materials used by the Company, it is open to the risk of volatility in raw material prices.

To minimize this risk, the Company has been sourcing most of its major raw materials through timely contracts so as to ensure un-interrupted supplies in addition to minimize the impact of spot market price volatility.

### COMPETITOR RISK :

Intense competition in the domestic DI Pipes industry may have an effect on the profitability of the Company. To mitigate this risk while the Company seeks to compete on the basis of product differentiation through quality, it manages its costs, to ensure it has an edge in pricing over its competitors. Besides, the Company has been regularly focused on cost reduction measures and optimization of available resources to reduce its cost of production and thereby protect its margins.

### ENVIRONMENT & SAFETY RISK :

By virtue of diversity and complexity of its operations, the Company is exposed to safety and environment risks. A major incident, such as fire, gas explosion can result in loss of life, environmental degradation and overall disruption in business activities.

The Company strives for excellence in safety management for the benefit of its employees, customers and the communities where it operates. It has set itself the goal of 'zero injuries and incidents'. The Company conducts HSE audits to get assurance on HSE management framework protocols and regulatory compliances.

### HUMAN RESOURCES RISK:

The Company being manpower intensive, is vulnerable to the threat of human exodus and it is a challenging task to retain and attract skilled and talented pool of employees.

The Company has an effective Human Resource Management Systems in place and it always stays focused on identifying key staff and critical organizational roles, a process that is increasingly being addressed through assessment and calibration. Developing talent management strategies for retaining key employees through effective day-to-day management, employee development and mobility and compensation management that rewards past performance and incents future contributions is a continuous activity in the organization, which ensures retention and attraction of talent pool.

### RECEIVABLES RISK :

Most of the Company's customers comprise Govt. Bodies like Water Boards, Municipal Corporations, etc. and also Public Sector undertakings owned and controlled by Government. Payment mechanism of such undertaking is a time consuming process which ultimately leads to receivables risk.

To mitigate the Receivables risk company sells its products to reputed contractors who are engaged in large EPC contracts serving these Govt Bodies and others, instead of directly to those bodies at their affordable prices. Besides, it secures its supplies through Letter of credit and Bank Guarantees obtained from its Customer's Bankers.

### FOREIGN EXCHANGE RISK:

The Company has External Commercial Borrowings (ECBs) and by virtue of overseas sourcing of certain raw and essential materials, it has exposure to US Dollar. The Company is thus vulnerable to risks on account of fluctuations in foreign exchange rates.

To mitigate this risk, the Company has in place an effective Foreign Exchange Management Policy and foreign exchange risk is tracked and managed within the risk management framework. It uses appropriate hedging mechanisms to protect its cash flow.

## INDEPENDENT AUDITORS' REPORT

To,  
**The Members of  
Srikalahasthi Pipes Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Srikalahasthi Pipes Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### 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.
2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28.1 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts and the Company is not required to make provision for losses on derivative contracts – Refer Note 37 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K. R. BAPUJI & Co.  
Chartered Accountants  
(Firm's Registration No. 000395S)

Place: Chennai  
Date: 09/05/2016

P. R. SATISH  
(Partner)  
(Membership No. 219432)

**Annexure - A to the Independent Auditors' Report**

**The Annexure referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Srikalahasthi Pipes Limited for the year ended 31st March, 2016, we report that:**

- (i) With respect to Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management during the year as per a detailed program drawn for the said purpose, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. In our opinion, the periodicity and procedures of such physical verifications are reasonable having regard to the size of the Company and nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the management has conducted physical verification of inventories during the year at reasonable intervals, except the materials in transit/materials lying with third parties. According to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has not given any loans, investments, guarantees, and security covered under the provisions of section 185 and 186 of the Act, accordingly, clause (iv) of para 3 of the Order is not applicable to the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the cost records maintained by the Company relating to its products for which maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) With respect to Statutory Dues:
  - (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise, cess and other material statutory dues as applicable to it, with the appropriate authorities and there were no undisputed statutory dues outstanding as at 31st March, 2016 for a period exceeding six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Wealth tax, Service tax and Cess which have not been deposited on account of any dispute and the following are the details of dues of Sales tax, Income tax and Excise duty that have not been deposited on account of disputed matters pending before appropriate authorities as at 31st March, 2016

Name of the Statute	Nature of Dues	Amount (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
APGST Act, 1957	Sales Tax	67.52*	1999-00	Sales Tax Appellate Tribunal
-do-	-do-	40.51*	1999-00	-do-
-do-	-do-	194.70*	2002-03	-do-
APVAT Act, 2005	Interest on tax	22.46*	2012-13	ADC(CT)
-do-	VAT	1.37	2013-14	Sales Tax Appellate Tribunal
Central Sales Tax Act, 1956	Sales Tax	158.71*	2000-01	Sales Tax Appellate Tribunal
-do-	-do-	41.60	2000-01	High Court of Andhra Pradesh
-do-	-do-	202.99	2003-04	Sales Tax Appellate Tribunal
-do-	-do-	196.24	2004-05	-do-
-do-	-do-	8.50	2011-12	ADC, Kurnool
-do-	-do-	2.09	2012-13	ADC, Kurnool
Income Tax Act, 1961	Income Tax	10.87*	2003-04	High Court of Andhra Pradesh
-do-	-do-	1.85	2004-05	-do-
Central Excise Act, 1944	Central Excise & Interest	174.75	2007-08 & 2008-09	CESTAT, Bangalore

\*Stay of collection granted for the demands.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has no borrowings from financial institutions, government or by way of debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give 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) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and 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 K. R. BAPUJI & Co.  
Chartered Accountants  
(Firm's Registration No. 000395S)

Place: Chennai  
Date: 09/05/2016

P. R. SATISH  
(Partner)  
(Membership No. 219432)

**Annexure – B to the Independent Auditors' Report**

**The Annexure referred to in Paragraph 2 (f) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Srikalahasthi Pipes Limited for the year ended 31st March, 2016:**

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

We have audited the internal financial controls over financial reporting of Srikalahasthi Pipes Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the 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 (ICAI). 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. R. BAPUJI & Co.  
Chartered Accountants  
(Firm's Registration No. 000395S)

Place: Chennai  
Date: 09/05/2016

P. R. SATISH  
(Partner)  
(Membership No. 219432)



**Balance Sheet as at 31st March, 2016**

	Note No.	31st March 2016 Rs. in Lakhs	31st March 2015 Rs. in Lakhs
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	2	<b>3,976.36</b>	3,976.36
(b) Reserves and Surplus	3	<b>38,840.40</b>	25,353.06
		<b>42,816.76</b>	29,329.42
<b>2. Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	<b>10,902.44</b>	17,996.72
(b) Deferred Tax Liabilities (Net)	5	<b>6,911.98</b>	6,547.31
(c) Other Long-Term Liabilities	6	<b>1,242.88</b>	1,242.88
(d) Long-Term Provisions	7	<b>513.54</b>	393.00
		<b>19,570.84</b>	26,179.91
<b>3. Current Liabilities</b>			
(a) Short-Term Borrowings	8	<b>29,250.37</b>	19,866.30
(b) Trade Payables	9	<b>5,153.78</b>	10,240.40
(c) Other Current Liabilities	10	<b>9,329.20</b>	9,632.05
(d) Short-Term Provisions	11	<b>3,010.29</b>	1,870.82
		<b>46,743.64</b>	41,609.57
		<b>109,131.24</b>	97,118.90
<b>B. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets	12		
(i) Tangible Assets		<b>48,806.95</b>	48,635.54
(ii) Intangible Assets		<b>65.99</b>	94.32
(iii) Capital Work-In-Progress		<b>1,944.17</b>	888.94
		<b>50,817.11</b>	49,618.80
(b) Long-Term Loans and Advances	13	<b>906.70</b>	561.43
		<b>51,723.81</b>	50,180.23
<b>2. Current Assets</b>			
(a) Current Investments	14	<b>14,601.82</b>	-
(b) Inventories	15	<b>11,888.57</b>	13,459.24
(c) Trade Receivables	16	<b>20,755.02</b>	18,604.67
(d) Cash and Cash Equivalents	17	<b>2,153.95</b>	5,924.52
(e) Short-Term Loans and Advances	18	<b>2,964.74</b>	3,921.31
(f) Other Current Assets	19	<b>5,043.33</b>	5,028.93
		<b>57,407.43</b>	46,938.67
		<b>109,131.24</b>	97,118.90
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	1		

As per our report attached  
For K R Bapuji & Co.  
Chartered Accountants  
Firm Registration No.000395S

P R Satish  
Partner  
Membership No.219432

Place: Chennai.  
Date: 9th May, 2016.

For and on behalf of the Board

Mayank Kejriwal  
Managing Director  
DIN 00065980

R K Khanna  
Director  
DIN 05180042

G S Rathi  
Whole Time Director  
DIN 00083992

A R Surana  
Chief Financial Officer

K Raghuram  
Company Secretary

**Statement of Profit and Loss for the Year Ended 31st March, 2016**

	Note No.	31st March 2016 Rs. in Lakhs	31st March 2015 Rs. in Lakhs
1. Revenue from operations (Gross)	20	<b>117,767.06</b>	112,304.37
Less : Excise Duty		<b>3,205.81</b>	3,949.29
Revenue from operations (net)		<b>114,561.25</b>	108,355.08
2. Other Income	21	<b>1,733.03</b>	866.03
<b>3. Total revenue (1+2)</b>		<b>116,294.28</b>	109,221.11
<b>4. Expenses</b>			
(a) Cost of materials consumed	22	<b>48,312.92</b>	53,204.25
(b) Purchases of traded goods	23	<b>2,870.26</b>	5,338.72
(c) Changes in inventories of finished goods & work-in-progress	24	<b>20.98</b>	1,034.98
(d) Employee benefits expense	25	<b>6,832.46</b>	5,374.94
(e) Finance costs	26	<b>4,204.59</b>	4,369.37
(f) Depreciation and amortisation expense	12	<b>2,708.84</b>	3,116.90
(g) Other expenses	27	<b>29,876.18</b>	24,840.23
<b>Total expenses</b>		<b>94,826.23</b>	97,279.39
<b>5. Profit / (Loss) before tax (3 - 4)</b>		<b>21,468.05</b>	11,941.72
<b>6. Tax expenses:</b>			
(a) Current Tax		<b>(4,488.57)</b>	(2,546.59)
(b) Prior Period Tax		<b>(30.47)</b>	(81.36)
(c) MAT Credit		<b>(704.09)</b>	2,408.46
(d) Deferred Tax		<b>(364.67)</b>	(3,505.47)
<b>7. Profit / (Loss) for the year (5 - 6)</b>		<b>15,880.25</b>	8,216.76
<b>8. Earnings per share (of Rs 10/- each):</b>	42		
(a) Basic		<b>39.94</b>	20.66
(b) Diluted		<b>39.94</b>	20.66
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	1		

As per our report attached  
For K R Bapuji & Co.  
Chartered Accountants  
Firm Registration No.000395S

P R Satish  
Partner  
Membership No.219432

Place: Chennai.  
Date: 9th May, 2016.

For and on behalf of the Board

Mayank Kejriwal  
Managing Director  
DIN 00065980

R K Khanna  
Director  
DIN 05180042

G S Rathi  
Whole Time Director  
DIN 00083992

A R Surana  
Chief Financial Officer

K Raghuram  
Company Secretary

## Cash Flow Statement for the Year Ended 31st March, 2016

	31st March 2016 Rs. in Lakhs	31st March 2015 Rs. in Lakhs
<b>A. Cash Flow from operating activities</b>		
<b>Net Profit Before Tax</b>	<b>21,468.05</b>	11,941.72
Adjustments for :		
Interest & Financial Charges	4,204.59	4,369.37
Depreciation / Amortisation	2,708.84	3,116.90
(Profit) / Loss on Sale of Fixed Assets	1.12	141.75
(Profit) / Loss on Sale of Investments	(34.36)	(46.58)
<b>Operating Profit before Working Capital changes</b>	<b>28,348.24</b>	19,523.16
Adjustments for :		
(Increase) / decrease in Long term Loans & Advances	(345.27)	5,024.79
(Increase) / decrease in Short Term Loans & Advances	956.57	(1,269.32)
(Increase) / decrease in Other Current Assets	(337.44)	(3,673.69)
(Increase) / decrease in Trade & Other Receivables	(2,150.35)	(3,803.80)
(Increase) / decrease in Inventories	1,570.67	10,215.90
Increase / (decrease) in Long Term Liabilities & Provisions	120.54	(3,532.35)
Increase / (decrease) in Current Liabilities	(5,144.66)	(9,041.11)
<b>Cash Generated from Operations</b>	<b>23,018.30</b>	13,443.58
Direct Taxes Paid	(4,600.00)	2,400.00
Prior Period Adjustment -Taxation	(30.47)	(81.36)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>18,387.83</b>	15,762.22
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(3,948.38)	(7,483.11)
Sale of Fixed Assets	40.10	155.34
Current Investments	(14,601.82)	-
Income on Current Investments	34.36	46.58
<b>Net Cash Flow From Investing Activities (B)</b>	<b>(18,475.74)</b>	(7,281.19)
<b>C. Cash Flow from Financing Activities</b>		
Long Term Borrowings-Receipts/(Repayments)[Net]	(7,094.28)	534.29
Short Term Borrowings-Receipts/(Repayments)[Net]	9,384.08	(3,691.04)
Interest Paid	(4,165.40)	(4,359.49)
Dividend Paid	(1,192.89)	(596.45)
Tax on Dividend	(242.85)	(101.37)
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(3,311.34)</b>	(8,214.06)
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	<b>(3,399.25)</b>	266.97
Cash & Cash Equivalents as at Beginning of Year	<b>5,540.99</b>	5,274.02
<b>Cash &amp; Cash Equivalents as at End of the Year (Refer Note 17.1)</b>	<b>2,141.74</b>	5,540.99
Components of Cash & Cash Equivalents		
Cash On Hand	<b>2.26</b>	1.48
Balances with Banks		
In Current Account	<b>2,110.28</b>	5,517.10
In Unpaid Dividend	<b>29.20</b>	22.41
	<b>2,141.74</b>	5,540.99

NOTES: 1. Comparative figures have been regrouped wherever necessary.  
2. The Cash Flow Statement has been prepared under indirect method as set out in the Accounting Standard-3 on "Cash Flow Statements" notified by Companies Accounting Standards Rules, 2006 (as amended).

As per our report attached

For K R Bapuji & Co.

Chartered Accountants

Firm Registration No.0003955

P R Satish

Partner

Membership No.219432

Place: Chennai.

Date: 9th May, 2016.

For and on behalf of the Board

Mayank Kejriwal  
Managing Director  
DIN 00065980

R K Khanna  
Director  
DIN 05180042

G S Rathi  
Whole Time Director  
DIN 00083992

A R Surana  
Chief Financial Officer

K Raghuram  
Company Secretary

## Corporate Information

Srikalahasthi Pipes Limited, incorporated under the Companies Act in the year 1991, is engaged in the manufacture and supply of Ductile Iron Pipe as its core business with its domicile presence in the State of Andhra Pradesh, India. The Company's name was earlier Lanco Industries Limited and the name was changed with effect from 29th September, 2014 to its present name. The company is a leading Public Utility Services company predominantly catering to the needs of Water Infrastructure Development. The company also produces Low Ash Metallurgical Coke, Sinter Liquid Metal and Power for captive consumption in its integrated complex. It also manufactures and supplies Pig Iron and Cement, in the process. The company's shares are listed on the National Stock Exchange of India Limited and the BSE Limited and the shares are traded regularly.

### 1. Significant Accounting Policies:

#### A) Basis of Preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis except as disclosed in the notes and materially comply with the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 read together with Companies Rules, 2014, and guidelines issued by the Securities and Exchange Board of India (SEBI) and the Institute of Chartered Accountants of India except to the extent disclosed in the following notes. The accounting policies adopted in preparation of financial statements are consistent with those of previous year except for change in accounting policy initially adopted or a revision to the existing accounting policy that requires a change as against the one hitherto in use.

#### B) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

#### C) Fixed Assets and Depreciation:

##### 1) Tangible Assets:

###### i) Gross Block:

- a) Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties, taxes and incidental expenses related to acquisition with due adjustments for Cenvat / VAT credits.
- b) Capital Work-in-progress includes Machinery to be installed, Construction & Erection Materials, and unallocated preoperative expenses etc.

###### ii) Depreciation:

- a) Leasehold land is amortized on straight-line method over the period of the lease.
- b) Depreciation is provided on fixed assets used during the year under Straight Line Method at the rates specified in the Schedule II of the Companies Act, 2013. In respect of plant and Machinery at MBF, Sinter Plant and Coke Oven Plant which are continuous process plants, the company has estimated the useful life of its assets based on a technical study and its internal assessment and estimates the useful lives of these assets as 20 years. In respect of these assets, depreciation is provided on the straight Line method over the residual useful lives of the assets.
- c) From accounting year commencing on or after 1.4.2011, the company adjusts exchange difference arising on translation / settlement of long-term foreign currency monetary items by reinstating the liabilities as at balance sheet date pertaining to acquisition of a depreciable asset to the cost of the asset and depreciates the same at the applicable rate in respect of such asset.

**2) Intangible Assets:**

Intangible assets are stated at cost of acquisition less accumulated amortization. This includes computer software packages (ERP and others). Amortization is done on straight line basis at the rates specified in the Schedule II of the Companies Act, 2013.

**3) Impairment of assets:**

The Company assesses at each balance sheet date whether there is any indication of that an asset may be impaired. In such cases, the recoverable amount of the asset is estimated. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit/division to which the said asset belongs. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced accordingly and the value so reduced is treated as impairment loss and is recognized in the statement of profit and loss. If at any balance sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is stated at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

**D) Revenue Recognition:**

All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.

**E) Sales:**

Sales include excise duty, wherever applicable and rebate, discounts, claims, expenses incurred on consignment sales etc. are excluded there from. Sales on consignment and expenses there against are being accounted for based on account sales from the respective consignee.

**F) Investments:**

Long Term Investments are stated at cost less permanent diminution, if any, in value. Current Investments are carried at lower of cost or fair value.

**G) Inventories:**

- i) Inventories are valued at lower of the cost or net realizable value. Cost in respect of raw materials, Stores and Spares have been calculated on weighted average basis, which includes expenses incidental to procurement of the same.
- a. By-Products are valued at net realizable value.
- b. Cost in respect of finished goods includes manufacturing expenses, factory and administrative overheads and excise duty.
- c. Cost in respect of work in progress represents, cost incurred upto the stage of completion.

**H) Foreign Currency Transactions:**

Foreign Currency transactions are initially recorded at the exchange rate prevailing on the date of the transaction. Foreign currency assets and liabilities are retranslated at exchange rates prevailing at the reporting date.

The loss or gain thereon and also on exchange differences on settlement of the foreign currency transactions during the year are adjusted to the Statement of Profit and Loss. The difference between the forward rate and exchange rate at the date of transaction is recognized as income or expense over the life of the contracts. For accounting period commencing from 1.4.2011, the exchange differences arising on long term foreign currency monetary items related to acquisition of fixed assets are capitalized and depreciated at the applicable rate in respect of such asset. For this purpose, the company treats a foreign monetary item as long term foreign currency monetary item if it has a term of more than 12 months at the date of its origination.

**Notes to Financial Statements for the year ended 31st March, 2016**

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognized in the period in which they arise and the difference between the forwards rate and exchange rate at the date of transaction is recognized as revenue / expense over the life of the contract. In respect of derivative contracts (other than forward contracts dealt as above) premium paid, gains /losses on settlement and losses on restatement are recognized in statement of profit and loss except in case they relate to acquisition or construction of fixed assets, in which case they are adjusted to the cost of fixed assets/ capital work in progress.

**I) Retirement Benefits:**

- i) **Provident & Family Pension Fund:** In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme, by the Central Government at a determined rate and the Company's contribution is charged off to the Statement of Profit and Loss.
- ii) **Leave Encashment Benefits:** Leave encashment benefits payable to employees while in service, retirement and death while in service or on termination of employment with respect to accumulated leaves outstanding at the year-end are accounted for on basis of actuarial valuation at the balance sheet date. The present value of such obligation is determined by the projected unit credit method as at the balance sheet date through which the obligations are settled. The resultant actuarial gain or loss on change in present value of defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss.
- iii) **Gratuity:** Contributions under the scheme for defined benefit under the Payment of Gratuity Act, 1972, is determined on the

basis of actuarial valuation and are funded to Life Insurance Corporation of India and recognized as year's expenditure

**J) Miscellaneous Expenses:**

Preliminary Expenses and expenditure in connection with issue of shares are being written off over a period of ten years or earlier.

**K) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

In accordance with Accounting Standard 16 Borrowing cost includes interest, amortization of ancillary cost incurred with the arrangement of borrowing and exchange differences arising from foreign currency borrowing to the extent they are regarded as an adjustment to the interest cost.

**L) Contingent Liabilities:**

Contingent liabilities are generally not provided for and are disclosed by way of notes to the accounts.

**M) Segment Reporting:**

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in financial statements.

**N) Export Benefits:**

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Such benefits under Duty Entitlement Pass Books(DEPB) are accounted for on accrual basis.

**O) Government Grants & Other Claims**

Revenue grants including subsidy/rebates, refunds, claims etc. are credited to Statement

**Notes to Financial Statements for the year ended 31st March, 2016**

of Profit and Loss under 'Other Income' or deducted from the related expenses. Grants relating to fixed assets are credited to Capital Reserve Account or adjusted in the cost of such assets as the case may be, as and when the ultimate realizability of such grants etc. are established/ realized.

**P) Income Tax**

Provision for Tax is made for both current

and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted.

**Notes to Financial Statements for the year ended 31st March, 2016**

	31st March 2016		31st March 2015	
	No. of Shares in Lakhs	Rs. in Lakhs	No. of Shares in Lakhs	Rs. in Lakhs
<b>2. Share Capital</b>				
<b>Authorized Shares</b>				
Equity Shares of Rs.10/- each	<u>530.00</u>	<u>5,300.00</u>	<u>530.00</u>	<u>5,300.00</u>
<b>Issued, Subscribed and Paid up Shares</b>				
Equity Shares of Rs.10/- each	<u>397.63</u>	<u>3,976.36</u>	<u>397.63</u>	<u>3,976.36</u>
<b>Total</b>	<u>397.63</u>	<u>3,976.36</u>	<u>397.63</u>	<u>3,976.36</u>
<b>Reconciliation of Shares outstanding at the beginning and at the end of the reporting period</b>				
Opening number of Shares Outstanding	<u>397.63</u>	<u>3,976.36</u>	<u>397.63</u>	<u>3,976.36</u>
Closing number of Shares Outstanding	<u>397.63</u>	<u>3,976.36</u>	<u>397.63</u>	<u>3,976.36</u>
<b>Terms/rights attached to equity shares</b>				
<p>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 any of the remaining assets of the company, after distribution of all preferential amounts.The distribution will be in proportion to the number of equity shares held by the shareholders.</p>				
<p>A dividend of 50% has been recognised as distribution to equity shareholders for the year ended 31.03.2016 (31.03.2015: 30%). The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.</p>				
<b>Details of shareholders holding more than 5% shares in the company</b>				
<b>Particulars</b>	<b>No of Shares in Lakhs</b>	<b>% of holding</b>	<b>No of Shares in Lakhs</b>	<b>% of holding</b>
Equity shares with voting rights				
M/s. Electrosteel Castings Ltd	<b>193.01</b>	<b>48.54</b>	193.01	48.54
M/s. Avis-Tie Up Private Limited	<b>24.53</b>	<b>6.17</b>	34.35	8.64
<b>3. Reserves and Surplus</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
(a) Capital Reserve				
Opening Balance		<b>55.97</b>		55.97
(b) General Reserve				
Opening Balance	<b>22,500.00</b>		17,500.00	
Add: Transfer from Statement of profit & Loss	<b>5,000.00</b>		<u>5,000.00</u>	
Closing Balance		<b>27,500.00</b>		22,500.00
(c) Surplus				
Opening Balance	<b>2,797.08</b>		1,016.07	
Add : Profit during the year	<b>15,880.25</b>		8,216.76	
(Less): Transfer to General Reserve	<b>(5,000.00)</b>		(5,000.00)	
(Less): Proposed equity dividend				
(amount per share Rs. 5.00 (Previous year Rs. 3.00 ))	<b>(1,988.15)</b>		(1,192.89)	
(Less): Tax on Proposed dividend	<b>(404.75)</b>		(242.85)	
Closing Balance		<b>11,284.43</b>		2,797.09
<b>Total</b>		<u><b>38,840.40</b></u>		<u>25,353.06</u>



## Notes to Financial Statements for the year ended 31st March, 2016

	31st March 2016		31st March 2015	
	Rs. in Lakhs		Rs. in Lakhs	
<b>4. Long Term Borrowings</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>Secured - from Banks</b>				
Rupee Term loans	4,015.63	734.38	8,125.00	1,937.50
External Commercial Borrowing	6,886.81	3,578.30	9,871.72	3,063.25
	<u>10,902.44</u>	<u>4,312.68</u>	<u>17,996.72</u>	<u>5,000.75</u>
<b>Less: Amount shown under other current liabilities (Note No 10)</b>	-	4,312.68	-	5,000.75
<b>Total</b>	<u>10,902.44</u>	<u>-</u>	<u>17,996.72</u>	<u>-</u>
<b>Terms of Repayment and rate of interest:</b>				
<b>a</b> Rupee Term Loan of Rs.3750 Lakhs is repayable in 6 Quarterly instalments of Rs.125.00 lakhs each starting from 01/04/16 to 01/09/17 and 12 Quarterly instalments of Rs.250 Lakhs from 30/09/18 to 30/06/21 and carries an interest @ 10.25% p.a. payable monthly.				
<b>b</b> Rupee Term Loan of Rs.1000 lakhs repayable in 8 Quarterly instalments of Rs.78.125 lakhs each starting from 30/9/16 to 30/6/18 and 2 Quarterly instalments of Rs.156.25 Lakhs from 30/9/18 to 31/12/18, and balance Rs.62.50 Lakhs on 31/3/2019. It carries an interest @ 11.25% p.a. payable monthly.				
<b>c</b> Foreign Currency loan of Rs. 7152.61 Lakhs (US\$ 107.964 Lakhs) is repayable in 8 half yearly instalments in September and March every year of US\$ 12,00,600 each and last instalment of US\$ 11,91,600 and carries an interest at LIBOR plus 4.6262% p.a payable half yearly.				
<b>d</b> Foreign Currency loan of Rs. 3312.5 Lakhs (US\$ 50 Lakhs) is repayable in 3 half yearly instalments of US\$ 15 lakhs each on 22/5/2016, 22/11/2016 and US\$ 20 lakhs on 22/5/2017 and carries an interest at LIBOR plus 3.7239% p.a payable half yearly.				
<b>Nature of security :</b>				
Rupee term loan of Rs 3750 lakhs is secured by way of first pari-passu charge on the movable & immovable Fixed Assets of the company and subservient charge on raw materials, semi finished goods and finished goods, consumables, stores and spares, book debts, both present and future.				
Rupee term loans of Rs 1000 lakhs and Foreign Currency loans from Banks are secured by way of first pari-passu charge on the movable & immovable Fixed Assets of the company both present and future.				
<b>5. Deferred tax liabilities (Net):</b>				
Deferred Tax Liability				
Fixed Asset - Impact of Difference between tax depreciation and depreciation charged in the financial statement		7,625.21		7,284.90
Gross Deferred Tax Liability		<u>7,625.21</u>		<u>7,284.90</u>
Deferred Tax Asset				
Impact of Expenditure charged to statement of Profit & Loss but allowed only on actual payment for tax purpose		310.39		183.86
Provision for Doubtful debts and advances		402.84		553.73
Gross Deferred Tax Asset		<u>713.23</u>		<u>737.59</u>
Net Deferred Tax Liability		<u>6,911.98</u>		<u>6,547.31</u>
<b>6. Other Long Term Liabilities</b>				
Other Payables		1,242.88		1,242.88
	<b>Total</b>	<u>1,242.88</u>		<u>1,242.88</u>
<b>7. Long Term Provisions</b>				
For Employee Benefits ( Refer Note No - 32 )				
- Unavailed Leave		513.54		393.00
	<b>Total</b>	<u>513.54</u>		<u>393.00</u>
<b>8. Short Term Borrowings - from Banks</b>				
Secured				
Working Capital Loans - from Banks				
Rupee Loan		9,169.02		6,669.62
Foreign Currency Loan		20,081.35		13,196.68
	<b>Total</b>	<u>29,250.37</u>		<u>19,866.30</u>
<b>Nature of Security and rate of interest</b>				
Working Capital facilities availed from banks are secured by hypothecation of raw materials, semi finished goods and finished goods, consumables, stores and spares, book debts, both present and future of the company and rank pari-passu among themselves and the rate of interest ranges from 10% to 13.5% p.a and are payable on demand.				

**Notes to Financial Statements for the year ended 31st March, 2016**

	31st March 2016 Rs. in Lakhs	31st March 2015 Rs. in Lakhs
<b>9. Trade payables</b>		
Trade payables	5,153.78	10,240.40
<b>Total</b>	<b>5,153.78</b>	<b>10,240.40</b>
( Refer Note No.34 for amount due to related parties )		
<b>10. Other Current Liabilities</b>		
Current maturities of long-term borrowings ( Refer Note No 4)	4,312.68	5,000.75
Interest accrued but not due on borrowing	362.71	323.51
Unpaid dividends	29.20	22.41
Others		-
- Creditors for capital goods	976.84	1,045.69
- Statutory Dues	1,076.96	640.15
- Amount due to Employees and Others	417.86	407.72
- Advance from Customers	521.02	834.75
- Retention Money	111.26	172.59
- Deposits from Customers	55.13	69.05
- Outstanding Expenses	1,465.54	1,115.43
<b>Total</b>	<b>9,329.20</b>	<b>9,632.05</b>
<b>11. Short Term Provisions</b>		
Proposed Dividend	1,988.15	1,192.89
Tax on Proposed dividend	404.75	242.85
Provision for Taxation (Net of Advance Tax )	-	101.70
Employee Benefits	617.39	333.38
<b>Total</b>	<b>3,010.29</b>	<b>1,870.82</b>

Rs. In Lakhs

**12 Fixed Assets**

(i) Tangible Assets

S.No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as on 01- Apr -15	Additions	Sales / Adjustment	Cost as on 31-Mar-16	Upto 31 - Mar - 15	For the year	Sales / Adjustment	Upto 31 -Mar -16	Upto 31 -Mar -16	As on 31- Mar-15
1	(a) Land	1,411.40	113.29	-	1,524.69	-	-	-	-	1,524.69	1,411.40
	(b) Leasehold Land	93.67	-	-	93.67	13.78	3.12	-	16.90	76.77	79.89
2	(a) Factory Building	8,006.02	9.02	-	8,015.04	2,426.06	256.70	-	2,682.76	5,332.28	5,579.96
	(b) Non Factory Building	1,415.42	6.45	-	1,421.87	415.72	99.77	-	515.49	906.38	999.70
3	Plant & Machinery	56,070.36	2,552.93	0.86	58,622.43	16,307.16	2,061.60	-	18,368.76	40,253.67	39,763.20
4	Electrical Installation	2,338.47	24.91	0.16	2,363.22	1,816.29	175.04	0.57	1,990.76	372.46	522.18
5	Office Equipment	573.84	49.48	3.24	620.08	457.36	49.00	3.22	503.14	116.94	116.48
6	Furniture	175.85	1.55	7.05	170.35	145.94	6.56	6.96	145.54	24.81	29.91
7	Vehicles	617.89	134.37	52.82	699.44	485.07	27.58	12.16	500.49	198.95	132.82
	<b>TOTAL</b>	<b>70,702.92</b>	<b>2,892.00</b>	<b>64.13</b>	<b>73,530.79</b>	<b>22,067.38</b>	<b>2,679.37</b>	<b>22.91</b>	<b>24,723.84</b>	<b>48,806.95</b>	<b>48,635.54</b>
	Previous Year figures	63,143.40	8,529.54	970.02	70,702.92	19,673.37	3,066.94	672.93	22,067.38	48,635.54	43,470.03

(ii) Intangible Assets

S.No.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Cost as on 01- Apr -15	Additions	Sales / Adjustment	Cost as on 31-Mar-16	Upto 31 - Mar - 15	For the year	Sales / Adjustment	Upto 31 -Mar -16	Upto 31 -Mar -16	As on 31- Mar-15
1	Computer Software	388.21	1.14	-	389.35	293.89	29.47	-	323.36	65.99	94.32
	Previous Year figures	319.35	68.86	-	388.21	243.93	49.96	-	293.89	94.32	75.42

**Notes to Financial Statements for the year ended 31st March, 2016**

	31st March 2016 Rs. in Lakhs		31st March 2015 Rs. in Lakhs	
<b>13. Long Term Loans and Advances</b> (Unsecured)				
<b>13.1 Capital Advances</b>				
- considered good		512.08		181.45
<b>13.2 Security Deposits</b>				
- considered good		394.62		379.98
<b>Total</b>		<b>906.70</b>		<b>561.43</b>
<b>14. Current Investments</b>				
Non-Trade-At Cost				
Units of Mutual funds - Quoted				
Name of the Investment	No of Units	Rs. in lakhs	No of Units	Rs. in lakhs
HSBC Ultra Short Term Bond Fund-Growth	11,264,136.49	1,500.00	-	-
HDFC CMF Savings Plan-Direct Plan-Daily Dividend Reinvestment	188,192.18	2,001.69	-	-
HDFC Short Term Opportunities Fund-Direct Plan- Growth Option	3,123,301.71	500.00	-	-
HDFC High Interest Fund-Dynamic Plan-Direct Growth Option	979,706.36	500.00	-	-
ICICI Savings Fund-DP Growth	1,329,239.97	3,000.00	-	-
ICICI Regular Income Fund DP Growth	6,593,131.28	1,000.00	-	-
Reliance Monthly Interval Fund-Series 1 Direct Growth Plan Growth Option Ivag	7,453,045.81	1,500.00	-	-
Reliance Liquid Fund-Cash Plan-Direct Growth Plan - Cpag	102,522.28	2,500.00	-	-
UTI Treasury Advantage Fund-Institutional Plan-Daily Dividend Reinvestment	10.56	0.11	-	-
UTI Liquid Cash Plan-Institutional-Direct Plan-Growth	4,035.11	100.02	-	-
Birla Sun Life Cash Plus-Daily Dividend - Direct Plan-Reinvestment	999,053.70	1,000.00	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth	1,443,684.75	500.00	-	-
IDFC Super Saver Income Fund-Investment Plan-Growth	1,411,747.43	500.00	-	-
<b>Total</b>		<b>14,601.82</b>		<b>-</b>
<b>Market Value: Rs.14729.20 Lakhs</b>				
<b>15. Inventories</b> (Valued at lower of Cost and Net Realisable Value)				
Raw Materials		4,470.94		7,113.57
Work-in-Progress		1,222.91		1,058.56
Finished Goods		1,085.86		1,271.19
Stores & Spares		5,108.86		4,015.92
<b>Total</b>		<b>11,888.57</b>		<b>13,459.24</b>
<b>16. Trade Receivables</b> (Unsecured)				
- Exceeding Six Months		2,900.29		841.52
- Considered good		843.49		843.49
- Doubtful		3,743.78		1,685.01
Less : Provision for doubtful Receivables		843.49		843.49
		2,900.29		841.52
- Other Receivables considered good ( Refer Note No.34 for amount due from related parties )		17,854.73		17,763.15
<b>Total</b>		<b>20,755.02</b>		<b>18,604.67</b>

**Notes to Financial Statements for the year ended 31st March, 2016**

	31st March 2016 Rs. in Lakhs	31st March 2015 Rs. in Lakhs
<b>17. Cash and Cash Equivalents</b>		
<b>17.1 Cash and Bank Balances</b>		
Cash on Hand	2.26	1.48
Balances with Banks		
in Current Account	2,110.28	5,517.10
in Unpaid Dividend	29.20	22.41
	<u>2,141.74</u>	5,540.99
<b>17.2 Others</b>		
Margin Money	12.21	380.21
Deposit with Bank with 3 - 12 months maturity	-	3.32
<b>Total</b>	<u>2,153.95</u>	5,924.52
<b>18. Short Term Loans and Advances</b>		
(Unsecured)		
- Considered good	2,964.74	3,921.31
- Doubtful	320.53	756.53
	<u>3,285.27</u>	4,677.84
Less: Provision for Doubtful Security Deposits (Refer Note no.41(ii) for advances to employees)	320.53	756.53
<b>Total</b>	<u>2,964.74</u>	3,921.31
<b>19. Other Current Assets</b>		
Balance with Government Authorities	1,372.71	1,147.79
Tax Refunds Receivable -Current year (net of Provision for tax )	198.06	-
MAT Credit Entitlement	2,607.17	3,311.25
Interest Receivable	191.65	125.26
Forward premium receivable	28.03	-
Prepaid Expenses	545.67	345.40
Other Receivables	100.04	99.23
<b>Total</b>	<u>5,043.33</u>	5,028.93
<b>20. Revenue from operations</b>		
20.1 Sale of Manufactured Products		
- D I Spun Pipes	99,507.68	83,286.26
- Pig Iron	3,851.40	7,732.15
- Cement	2,808.81	2,668.30
- Coke	1,598.12	3,840.12
- Other Products	7,059.49	9,389.36
20.2 Sale of Traded Products		
- Coal	2,941.56	5,388.18
<b>Total</b>	<u>117,767.06</u>	112,304.37
(Refer Note No.34 for sales to related parties)		
<b>21. Other Income</b>		
Interest Income	1,233.13	626.52
Rent received	4.47	3.85
Net Gain on Sale of Investments	34.36	46.58
Miscellaneous Income	461.07	189.08
<b>Total</b>	<u>1,733.03</u>	866.03
<b>22. Cost of materials consumed</b>		
Coking Coal / Coke	21,269.39	24,749.57
Iron Ore / Iron Ore Fines	13,610.13	17,836.58
CRC / MS Scrap	3,977.20	2,617.11
Others	9,456.20	8,000.99
<b>Total</b>	<u>48,312.92</u>	53,204.25
<b>23. Purchases of Traded goods</b>		
Coal	2,870.26	5,338.72
<b>Total</b>	<u>2,870.26</u>	5,338.72

## Notes to Financial Statements for the year ended 31st March, 2016

	31st Mar' 2016 Rs. in Lakhs	31st March 2015 Rs. in Lakhs
<b>24. Changes in inventories of Finished goods and work in progress</b>		
Opening Stock		
Work in Progress	1,058.56	1,558.34
Finished Goods	<u>1,271.19</u>	<u>1,806.39</u>
Closing Stock		
Work in Progress	1,222.91	1,058.56
Finished Goods	<u>1,085.86</u>	<u>1,271.19</u>
<b>Total</b>	<u><u>20.98</u></u>	<u><u>1,034.98</u></u>
<b>Details of Inventory</b>		
<b>Work in Progress</b>		
D.I Pipes	469.93	501.61
Others	752.98	556.95
<b>Total</b>	<u><u>1,222.91</u></u>	<u><u>1,058.56</u></u>
<b>Finished Goods and By-Products</b>		
D.I Pipes	817.82	711.59
Pig Iron	4.80	332.98
Others	263.24	226.62
<b>Total</b>	<u><u>1,085.86</u></u>	<u><u>1,271.19</u></u>
<b>25. Employee Benefit Expense</b>		
Salaries, Wages, Bonus and Other Benefits	5,984.81	4,559.10
Contribution to Provident and Other Fund	331.57	270.32
Employees Welfare	516.08	545.52
<b>Total</b>	<u><u>6,832.46</u></u>	<u><u>5,374.94</u></u>
(Refer Note No.31 for amount Capitalised )		
<b>26. Finance Cost</b>		
Interest Expenses	3,644.12	3,694.63
Other Finance Cost	359.29	414.77
Loss on Exchange difference to the extent considered as finance cost	201.18	259.97
<b>Total</b>	<u><u>4,204.59</u></u>	<u><u>4,369.37</u></u>
(Refer Note No.31 for amount Capitalised )		
<b>27. Other Expenses</b>		
Power & Fuel	5,471.91	4,217.42
Consumption of Stores , Spares & Consumables	15,260.13	12,268.01
Handling & Transport charges	3,957.48	3,259.11
Directors' Sitting Fee and Commission	30.37	21.70
Rent	91.86	82.88
Professional and consultancy	309.81	232.82
Rates & Taxes		
(including Wealth Tax Current Year Nil; Previous year Rs.0.42 lakhs)	131.53	126.49
Insurance	136.47	129.77
Freight, Packing, Forwarding & LD Charges (net of realisation Rs.6456.70 Lakhs, Previous year Rs.4691.81 Lakhs )	558.23	676.95
Commission to Selling Agents	1,548.61	1,161.38
Loss on sale/discard of fixed Assets (net)	1.12	141.75
Repairs & Maintenance:		
- Plant & Machinery	1,064.54	1,149.03
- Buildings	473.58	209.10
- Others	13.57	2.76
Provision for doubtful receivables & advances	-	539.93
Auditors' Remuneration :		
- Audit fee	5.00	4.25
- Tax Audit	2.00	1.75
- Certification fee	2.81	2.56
- Out of Pocket Expenses	0.80	1.19
Bad debts written off	-	332.79
Less:- Transferred from Bad Debts Provision	-	<u>332.79</u>
Donations	251.96	35.15
Contribution to CSR Activities	50.53	12.40
Miscellaneous Expenses	513.87	563.83
<b>Total</b>	<u><u>29,876.18</u></u>	<u><u>24,840.23</u></u>

## Notes to Financial Statements for the year ended 31st March, 2016

### 28.1. Contingent Liabilities not provided for:

Particulars	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
a) Guarantees given by banks on behalf of the Company	723.47	839.63
b) Bills discounted with banks	10777.06	9890.39
c) Outstanding Letter of Credits	1825.19	5426.10
d) Various demands raised, which in the opinion of the management are not tenable and are pending with various forums / authorities :		
i) Sales Tax	1339.48	1347.08
ii) Excise, Custom Duty & Service Tax	354.10	230.47
iii) Income Tax	37.72	37.72

The Company has tax disputes in appeals as disclosed above and certain litigations in respect of land. Based on the facts of each dispute / litigation and opinion of the management including that of advice of our legal advisors, the company believes that the outcome of the said disputes / litigations will not result in material impact that would affect the financial position or operations of the Company.

### 28.2. Commitments not provided for:

Particulars	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Estimated amount of Capital contracts not provided for	711.15	709.61
Export Obligations to be fulfilled	1927.00	1927.00

29. In the opinion of the Management, Current Assets and Loans & Advances have the value at which these are stated in the Balance Sheet, if, realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.
30. Disclosure of Trade Payables under Current/Non-Current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance Sheet date. Based on the above the relevant disclosure u/s 22 of the Act are as follows:-

	Rs. in lakhs
Principal amount outstanding at the end of the year	Nil
Interest amount due at the end of the year	Nil
Interest Paid to suppliers	Nil

31. A) Pursuant to the Companies (Accounting Standards) Amendment Rules, 2011 vide GSR 914(E) dated 29th December, 2011, the Company has exercised the option of adjusting the cost of assets, for the exchange differences arising on long term foreign currency monetary items, in respect of accounting periods commencing from 1st April, 2011, which were hitherto recognized as income or expenses in the period in which they arose. As a result, such exchange differences so far as they relate to the acquisition of depreciable capital assets have been adjusted with the cost of such assets, to be depreciated over the balance useful life of the respective assets. Consequently, the Fixed Assets – Rs.899.09 lakhs (Previous year Rs.692.66 lakhs) and Capital work-in-progress Nil (Previous year Nil) is higher and charge to the Statement of Profit and Loss is lower to that extent.

## Notes to Financial Statements for the year ended 31st March, 2016

- B) During the year, the company has capitalized the following interest during construction and Pre-operative expenses, allocating them to respective Fixed Assets, consequently the expenses disclosed under the respective heads are net of amounts capitalized by the company:-

Particulars	2015-16 Rs. in lakhs		2014-15 Rs. in lakhs	
	Fixed Assets	Capital work in Progress	Fixed Assets	Capital work in Progress
Interest and Finance Charges	23.95	9.83	348.80	59.06
Salaries, Wages, Gratuity & other Benefits	4.05	6.13	78.87	18.93

32. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:-

	31.3.2016		31.3.2015	
	Rs. in Lakhs		Rs. in Lakhs	
<b>Defined Contribution Plan:</b>				
Employers Contribution to Provident Fund	234.57		212.73	
	<b>Benefits</b>		<b>Benefits</b>	
	<b>Gratuity (Funded)</b>	<b>Leave (Unfunded)</b>	Gratuity (Funded)	Leave (Unfunded)
<b>Present Value of Obligations:</b>				
Balance as at the beginning of the year	584.92	513.54	498.39	393.00
Service Cost	70.95	40.32	60.47	73.87
Interest Cost	46.79	81.53	39.87	34.59
Benefits Paid	-22.16	6.72	-17.18	-20.84
Actuarial (Gain)/Loss	35.12	-50.52	3.37	32.92
Balance as at the closing of the year	715.62	591.59	584.92	513.54
<b>Fair Value of Plan Assets:</b>				
Balance as at the beginning of the year	562.42	-	508.68	-
Expected Return of Plan Assets	55.85	-	46.12	-
Actuarial (Gain)/Loss	-	-	-	-
Contributions	109.48	-6.72	24.80	20.84
Benefits Paid	-22.26	-6.72	-17.18	-20.84
Balance as at the closing of the year	705.49	0	562.42	0
<b>Reconciliation of fair value of assets and obligations:</b>				
Fair Value of Plan Assets	705.49	-	562.42	-
Present Value of Obligations	715.62	591.59	584.92	513.54
Amount recognized in Balance Sheet	10.13	591.59	22.50	513.54
<b>Expenses recognized during the year:</b>				
Current Service Cost	70.95	81.53	60.47	73.87
Interest Cost	46.79	40.32	39.87	34.59
Expected Return of Plan Assets	-55.85	-	-46.12	-
Actuarial (Gain)/Loss	35.12	-50.52	3.37	32.92
Net Cost	97.01	71.33	57.59	141.38
<b>Investment Details:</b>				
Funds Managed by the Insurer	100%	0%	100%	0%
Others	0%	0%	0%	0%
Total	100%	0%	100%	0%
<b>Actuarial Assumptions:</b>				
Mortality Table (LIC)	<b>1994-96 (ultimate)</b>	<b>2006-08 (ultimate)</b>	1994-96 (ultimate)	2006-08 (ultimate)
Discount Rate (per annum)	8%	9%	8%	9%
Expected Return of Plan Assets (per annum)	8.75%	0%	8.75%	0%
Rate of escalation in salary (per annum)	7%	10%	7%	10%



## Notes to Financial Statements for the year ended 31st March, 2016

### 33. Segment Reporting:

The Company's main business is manufacturing and selling pipes. In addition, the Company is also manufacturing & selling Cement and producing Pig Iron and LAM Coke for captive use, which does not qualify as a reportable segment as per Accounting Standard –17 on segment reporting issued by the Institute of Chartered Accountants of India. Accordingly, in the opinion of the management Pipes is the only reportable segment.

### 34. Disclosure of Related Parties/Related Party Transactions:

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

**a. Associate Company:**

M/s.Electrosteel Castings Limited

**b. Key Managerial Personnel (KMP):**

Shri. Mayank Kejriwal, Managing Director

Shri. G. S. Rathi, Whole Time Director

Shri. Atosh R Surana, Chief Financial Officer

Shri. Manoj K. Shah, Company Secretary

Shri. K. Raghuram, Company Secretary

**c. Enterprise where Key Managerial Personnel have control:**

Amit Trexim Private Limited\*

Disclosure of Related Party Transactions (Rs. in Lakhs):

Sl.No.	Nature of Transaction	Year	Associate Company	Key Managerial Personnel	Enterprise where Key Managerial Personnel have control
1	Sale of goods	2015-16	6163.69	-	-
		2014-15	10262.51	-	-
2	Trade Receivables	2015-16	3971.68	-	-
		2014-15	3633.93	-	-
3	Purchases	2015-16	1370.98	-	-
		2014-15	850.99	-	-
4	Trade Payables	2015-16	354.27	-	-
		2014-15	-	-	-
5	Rent Paid	2015-16	0.36	-	5.73
		2014-15	0.36	-	-
6	Reimbursement of Exp Paid	2015-16	12.03	-	-
		2014-15	52.47	-	-
7	Remuneration	2015-16	-	1146.98	-
		2014-15	-	568.22	-
8	Advance Paid	2015-16	5500	-	3.00
		2014-15	-	-	-
9	Advance Received	2015-16	5500	-	-
		2014-15	-	-	-
10	Interest Received	2015-16	302.37	-	-
		2014-15	-	-	-

\* Shri. G. S Rathi, Whole Time Director is interested as Member in Amit Trexim Private Limited.

## Notes to Financial Statements for the year ended 31st March, 2016

35. As stipulated in AS-28, the Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly, the management is of the view that no impairment provision is called for in these accounts.
36. The Company has operating lease arrangement for office accommodation etc. with tenure extending upto one year. Expenditure incurred on account of rent during the year amounting to Rs.91.86 Lakhs (Previous year Rs.82.88 Lakhs) is recognized in the Statement of Profit and Loss.
37. (a) Category wise outstanding derivatives contracts entered for hedging as on 31st March 2016:

Sl. No.	Category	Currency	Current Year		Previous Year		Underlying Purpose
			No. of	Amount	No. of	Amount	
			Deals	US\$ in lakhs	Deals	US\$ in lakhs	
1	Forward	USD/INR	-	-	7	137.51	Buyers Credit and Imports
2	Option	USD/INR	22	364.49	6	128.33	Buyers Credit and Imports
3	Swap	USD	-	-	6	240.90	Interest

- (b) Un-hedged foreign Currency Exposures as on 31st March 2016:

Sl. No.	Nature	Currency	Current Year US\$ in Lakhs	Previous Year US\$ in Lakhs
1	Imports	USD	3.92	44.05
2	Buyers Credit & Interest	USD	13.99	2.17
3	External Commercial Borrowing & Interest	USD	87.46	211.52

As per the hedging policy of the Company, all foreign currency exposures that are due in the next 12 months are fully hedged. In respect of external commercial borrowings which relates to acquisition of depreciable capital assets, the exchange differences will be adjusted with the cost of such assets as per the Policy of the Company [Refer Note No. 31(A)] and the Management believes that the same will not have any material adverse affect on the financial position or operations of the Company. Hence no provision is required for material losses on derivative contracts.

38. **Value of Imported & Indigenous Raw Materials, Spare Parts, Components Consumed:**

Particulars	2015-16		2014-15	
	Rs. in lakhs	%	Rs. in lakhs	%
Imported	24277.55	38.19	28137.90	42.98
Indigenous	39295.50	61.81	37334.36	57.02
Total	63573.05	100.00	65472.26	100.00

## Notes to Financial Statements for the year ended 31st March, 2016

### 39. CIF Value of Imports:

Particulars	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Raw Materials	25128.92	18486.86
Stores & Spares	2334.34	1691.99
Capital Goods	329.53	1327.07

### 40. Expenditure in Foreign Currency:

Particulars	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
a) Interest & Finance Charges	735.57	962.19
b) Traveling Expenses	2.17	2.24
c) Legal & Professional Charges	11.45	11.25
d) Payment of Dividend on Equity Shares		
- No. of Non Resident Shareholders	15	15
- No. of Shares Held	86252	86,252
- Dividend	2.59	1.29

### 41. Disclosure of loans and advances as per the requirement of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India.

- (i) The Company does not have any subsidiary and has not given any loans and advances in the nature of loans to its associates.
- (ii) Interest free loans as per general rules of the Company have been given to its employees. Aggregate amount of such advances and loans outstanding at the year end is Rs.13.56 lakhs (Previous year Rs.14.93 lakhs).

## Notes to Financial Statements for the year ended 31st March, 2016

### 42. Earnings Per Share (EPS):

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Net profit for basic earnings per share as per Statement of Profit and Loss (Rs.in Lakhs)	<b>15880.25</b>	8216.76
Less: Adjustments for the purpose of diluted earnings per share	<b>Nil</b>	Nil
Net profit for diluted earnings per share:		
Weighted average number of equity shares for basic EPS and diluted EPS (Face value Rs. 10 per share)		
i) for Basic EPS	<b>3,97,63,595</b>	3,97,63,595
ii) for Diluted EPS	<b>3,97,63,595</b>	3,97,63,595
<b>Earnings Per Share:</b>		
i) Basic EPS (in Rs.)	<b>39.94</b>	20.66
ii) Diluted EPS (in Rs.)	<b>39.94</b>	20.66

### 43. Previous year figures

The Previous Year's Figures have been re-grouped / re-arranged wherever necessary.

As per our report attached  
For K R Bapuji & Co.  
Chartered Accountants  
Firm Registration No.000395S

P R Satish  
Partner  
Membership No.219432

Place: Chennai.  
Date: 9th May, 2016.

For and on behalf of the Board

Mayank Kejriwal  
Managing Director  
DIN 00065980

R K Khanna  
Director  
DIN 05180042

G S Rathi  
Whole Time Director  
DIN 00083992

A R Surana  
Chief Financial Officer

K Raghuram  
Company Secretary

## **SRIKALAHASTHI PIPES LIMITED**

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

### **NOTICE**

**NOTICE** is hereby given that Twenty Fourth Annual General Meeting of Srikalahasthi Pipes Limited will be held at the Registered Office of the Company at Rachagunneri, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh on Monday, the 29th day of August, 2016 at 11.30 A.M. to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016 and Profit & Loss Account for the year ended as on that date, together with the Auditors' Report and Directors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri.G.S.Rathi (DIN:00083992 ) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri.S.Y.Rajagopalan (DIN:00067000) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors and fix their remuneration and for this purpose to consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"Resolved that pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee and approval of Board of Directors, the Company hereby ratifies the appointment of M/s K.R. Bapuji & Co, Chartered Accountants (Registration No. 000395S), Hyderabad as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration plus reimbursement of out of pocket expenses at actual as may be determined mutually between the Board of Directors and the Auditors".

#### **SPECIAL BUSINESS :**

##### **6. Ratification of Cost Auditor's 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.1,25,000 plus Service Tax 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, 2017.

"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"

##### **7. Approval for entering into Related Party transactions.**

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

"In supersession of the resolution passed by the shareholders at their meeting held on 24.8.2015, it is hereby RESOLVED THAT pursuant to section 188 and any other applicable provisions of the Companies Act, 2013 and any other applicable rules and regulations prescribed thereto and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, including any statutory modifications or re-enactment thereof

for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authority(ies) while granting such approvals, which may be agreed to by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee which the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution), consent of the Company be and is hereby accorded, for entering into related party transactions with Electrosteel Castings Ltd as given below, and such other transactions as required in connection to efficiently carry out the operations of the Company up to a limit specified for each category of transaction even when such transaction value exceeds the prescribed limits as specified in Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014.

Category of transaction	Limit (Rs. In cores) per annum
Sale, purchase or supply of any goods or materials directly or through appointment of agents i) With a sub-limit of Rs.5 Crs for Leasing of property of any kind ii) With a sub-limit of Rs.5 Crs for Availing or rendering of any services	225

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary and to do all such acts, deeds and things that may be necessary, proper or expedient for the purpose of giving effect to this Resolution from time to time within the overall limits specified above."

By Order of the Board  
For Srikalahasthi Pipes Limited

**K.Raghuram**  
Company Secretary

Place: Chennai.  
Dated: 9th May, 2016

**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 22nd August, 2016 to 29th August, 2016 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend for the FY 2015-16. The cut-off date for determining voting rights for e-voting on resolutions that will be listed for Annual General Meeting will be 21st August, 2016.
4. Dividend in respect of equity shares for the financial year ended 31st March, 2016, 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 21st August, 2016 as per the downloads furnished to the Company by Depositories for this purpose.
5. Members are requested to furnish their Bank Account details, change of address etc., to the Registrar and Share Transfer Agents in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).
6. Members desirous of getting any information in respect of the Accounts of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting. Members/ Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting as also the Attendance Slip duly filled in for attending the meeting.
7. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.  
  
b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
8. Equity Shares of the Company fall under the category of compulsory de-mat trading by all investors. Considering the advantages of scripless trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience.

Members who have not received their dividend paid by the Company in respect of earlier years are requested to check with the Company's Registrar & Transfer Agent – Karvy Computer Share Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. Members are requested to note that in terms of Section 124 (2) of the Companies Act, 2013, dividend declared by the Company, for earlier years, which remain unclaimed for a period of

7 years from the date when it first became due for payment will be transferred by the Company to a fund called "Investor Education and Protection Fund" (IEPF), set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the financial years 2008-09 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
2008-09	1.00	28.08.2009	27.09.2016
2009-10	1.50	25.08.2010	24.09.2017
2010-11	1.50	25.08.2011	24.09.2018
2011-12	Nil	-	-
2012-13	Nil	-	-
2013-14	1.50	27.09.2014	26.10.2021
2014-15	3.00	24.08.2015	23.09.2022

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](http://www.srikalahasthipipes.com) for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost.
12. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the Board Resolution/ Power of attorney authorizing their representatives to attend and vote at the Annual General Meeting.
13. Members are requested to give us their valuable suggestions for improvement of our investor services.
14. Voting through electronic means : Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Amendment Rules, 2015 of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 21st August, 2016 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 26th August, 2016 and will end at 5.00 p.m. on 28th August, 2016. The Company has appointed Mr. S. Chidambaram, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting may refer to the detailed procedure given hereinafter.



## PROCEDURE AND INSTRUCTIONS FOR E-VOTING

- I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
  - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client 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.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach 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 (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. 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/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to

the Scrutinizer at email schid285@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format " Corporate Name\_Event No."

- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
  - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
  - II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

#### **OTHER INSTRUCTIONS**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr.P.Nageswara Rao, (Unit: Srikalahasthi Pipes Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 26th August, 2016 (9.00 A.M. IST) and ends on 28th August, 2016 (5.00 P.M.IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st August, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 21st August, 2016.
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 21st August, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may sendSMS: 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> XXXX1234567890

- ii. 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.
  - iii. Member may call Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
15. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company and shall be sent to Stock Exchanges where the shares of the Company are listed.

Place: Chennai.  
Dated: 9th May, 2016

**K.Raghuram**  
Company Secretary

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

**Item No.6:**

The Board of Directors, on the recommendation of Audit Committee, has approved the appointment and remuneration 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, 2017 at a remuneration of Rs.1,25,000 (Rs. One Lakh Twenty Five Thousand only) plus Service Tax and reimbursement of out of pocket 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. 6 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

The Board of Directors of the Company recommends passing of the resolution as set out in Item No.6 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.6 of the Notice.

**Item No.7:**

Pursuant to Section 188 of the Companies Act, 2013 and the rules made thereunder, every Company having paid up Share Capital of Rs. 10 Crores or more or transactions exceeding certain value, requires the approval of Shareholders in General Meeting for making any of the transactions (as specified in sub-section 1 of the said section) with the Related Party of the Company.

Further as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material Related Party Transactions shall require approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolutions.

The transaction with a related party shall be considered material even if the transaction / transactions to be entered are at arm's length when entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of company as per the last audited financial statements of the company.

Earlier shareholders at their meeting held on 24.8.2015 approved individual limits for purchase and sales/services. In order to include other transactions as specified under Section 188 of the Companies Act, 2013 and to comply with the Listing Regulations, 2015, it is proposed to obtain approval of the shareholders for the following Contracts/transactions to be entered into with Electrosteel Castings Ltd.

- a) Sale, purchase or supply of any goods or materials

The procurement of bulk materials viz. coking coal, coke and other materials, sale of finished goods and other items and supply / receiving of various services are negotiated together with Electrosteel Castings Ltd. Based on requirement, these materials are procured in bulk and then purchased / sold between the group companies as per their requirements. These transactions take place in the ordinary course of business on arm's length basis and are essential for efficiently carrying out the operations of the Company. Such transactions include:

- i) Purchase of DI Pipes, Coal / Coke of different varieties including coal rejects, midlinks etc.
- ii) Iron-ore and other raw materials or ancillary items for the business of the Company.
- iii) Sale of DI Pipes & Fittings, Pig Iron, Coal/ Coke, MS Scrap or any other goods.
- iv) Appointment of related party as an agent for the sale/purchase of products/materials in connection thereto from time to time.

- b) Leasing of property of any kind : Rent / Lease agreements for hiring /to be given on hire of space of any type in connection with the business of the Company.
- c) Availing or rendering of any services
  - i) Conversion of coal into coke.
  - ii) All other types of services to be received /rendered in connection with the business of the Company.
  - iii) Appointment of related party as an agent for rendering services in connection thereto from time to time.

The nature of the above transactions that are entered / likely to be entered pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 188 of the Companies Act, 2013 are as under:-

- 1) Name of the Related Party: Electrosteel Castings Ltd.
- 2) Name of the Director or Key Managerial Personnel who is related:- Mr. Mayank Kejriwal, Managing Director.
- 3) Nature of relationship:- Mr. Mayank Kejriwal along with his relatives holds more than 2% of the paid up capital of ECL.
- 4) Nature, Material Terms, Monetary Value and particulars of the contract or arrangement:-

All transactions proposed will be in ordinary course of business. It is proposed to execute all transactions at arm's length within the monetary limit specified in the resolution for each category of transaction except in exceptional cases where comparisons are not available in order to justify the arms-length price, the same shall be at the negotiated price to be mutually agreed from time to time.

- 5) Any other information relevant or important for the members to take a decision on the proposed resolution- None.

The aforesaid proposed contract/transactions are being approved by the Audit Committee every year and the details of transactions carried out are being placed before the Committee every quarter for its review. In case of any specific transaction to be entered with related party, prior approval of the audit committee will be obtained from time to time within the overall limits approved by shareholders.

Members are hereby informed pursuant to second proviso of Section 188 (1) of the Act as well as the Listing Regulations, 2015, no member of the Company shall vote on the ordinary resolution at Item No. 7, if such member is a related party in respect of the said business.

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

Except Mr.Mayank Kejriwal, Managing Director (Along with his relatives), no Director or Key managerial personnel of the Company hold more than 2 % of the paid up capital of ECL. Save and except Mr. Mayank Kejriwal, Managing Director and Mr.S.Y.Rajagopalan, Director none of the Directors or Key Managerial Personnel including their relatives are concerned or interested, financially or otherwise, in passing of the resolution set out at Item No. 7 of the Notice.

By Order of the Board  
For Srikalahasthi Pipes Limited

**K.Raghuram**  
Company Secretary

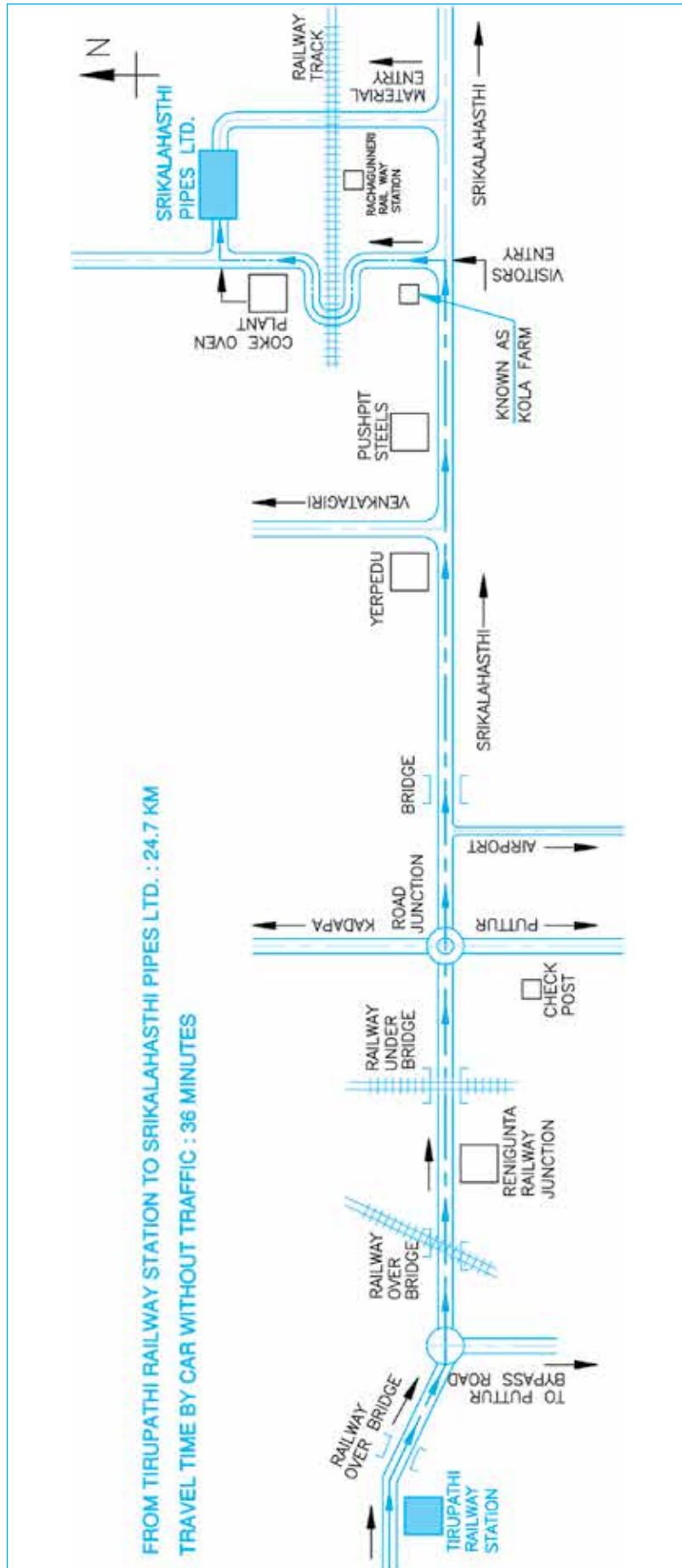
Place: Chennai.  
Dated: 9th May, 2016

**Intimation required to be furnished as per Regulation 36 of the Listing Regulations, 2015:**

As required under the Listing Regulations, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

Name of Director(s)	Shri G.S.Rathi	Shri.S.Y.Rajagopalan
Date of Birth	9th January, 1950	21st November, 1934
DIN Number	00083992	00067000
Date of earlier appointment	8th June, 2005	7th May, 2011
Qualifications	B.Com (Hons.), FCS , LLB	FCA
Brief Resume	Mr.G.S.Rathi is a Gold Medalist in B.com (Hons.) of Bhagalpur University, Bihar, Law graduate and a qualified Company Secretary. He served as Executive Director in Electrosteel Castings Limited (ECL) and was looking after Elavur Unit of Electrosteel, besides marketing and sales of ECL in Southern and Western Regions of India. He has expertise in general administrative management and Marketing and actively involved in the 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 during 1980 to 1986 and implemented a Greenfield Chemical Project near Kolkata.	Mr.S.Y.Rajagopalan is a qualified Chartered Accountant and served as Executive Director – Finance in Electrosteel Castings Limited for a longer period. He has expertise in financial management and Corporate & related laws. He also holds Directorship in Electrosteel Castings Limited.
Directorship in other Public Limited Companies.	—	Electrosteel Castings Limited.
Shareholding	16,000 Shares	Nil
Membership in other Board Committees :	—	—
1) Audit Committee	—	—
2) Nomination & Remuneration Committee	—	Electrosteel Castings Limited
3) Stakeholders' Relationship Committee	—	—

**ROUTE MAP OF AGM VENUE**



A section of the Villagers Waiting at the Medical Camp organized by the Company



A view of the pipes transported for Mission Bhagiratha Telangana Water Grid Scheme







**INSPIRING GROWTH**

# **Srikalahasthi Pipes Limited**

Regd. Office & Works

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