



Indian Hume Pipe



ANNUAL REPORT 2012-2013

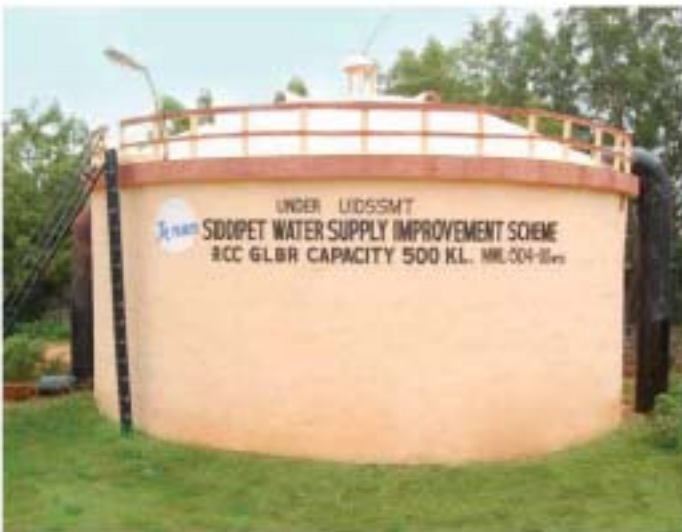
SIDDIPET WATER SUPPLY IMPROVEMENT SCHEME



Intake Well cum Pump House



Water Treatment Plant



Ground Level Balancing Reservoir of 5 Lakh Liter Capacity.



Elevated Storage Reservoir of 8 Lakh Liter Capacity

Board of Directors	Mr. Rajas R. Doshi	: Chairman & Managing Director
	Mr. Ajit Gulabchand	
	Ms. Jyoti R. Doshi	
	Mr. Rajendra M. Gandhi	
	Mr. Rameshwar D. Sarda	
	Mr. N. Balakrishnan	
	Ms. Anima B. Kapadia	
	Mr. Vijay Kumar Jatia	
	Mr. P. D. Kelkar	
	Mr. Mayur R. Doshi	: Executive Director

Company Secretary Mr. S. M. Mandke

Executives	Mr. P. R. Bhat	: Sr. General Manager
	Mr. Ajay Asthana	: General Manager
	Mr. G. Pundareekam	: General Manager
	Mr. Shashank J. Shah	: General Manager
	Mr. S. P. Makhija	: General Manager
	Mr. M. S. Rajadhyaksha	: Controller of Accounts & Finance
	Mr. B. S. Narkhade	: Chief Internal Auditor
	Mr. A. B. Joshi	: Chief Personnel Manager

Auditors M/s. K. S. Aiyar & Co., Chartered Accountants
F-7, Laxmi Mills, Shakti Mills Lane, (Off. Dr. E. Moses Road),
Mahalaxmi, Mumbai – 400 011

Solicitors M/s. Daphtary Ferreira & Divan
M/s. Udhwadia, Udeshi & Argus

Bankers State Bank of India
Bank of Baroda
State Bank of Hyderabad
HDFC Bank Ltd.
Corporation Bank

Registrar & Transfer Agent M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai – 400 078
Tel No. 022-25946970 Fax No. 022-25946969

Registered Office Construction House, 2nd Floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai – 400 001
Tel No.: 022-22618091 / 92, 40748181
Fax No.: 022-22656863,
email : info@indianhumepipe.com
Website : www.indianhumepipe.com

Annual General Meeting Thursday, 25th July, 2013, at 4.00 PM.
Walchand Hirachand Hall,
Indian Merchants' Chamber Building,
4th Floor, Indian Merchants' Chamber Marg,
Churchgate, Mumbai – 400 020

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NOTICE

NOTICE is hereby given that the EIGHTY SEVENTH ANNUAL GENERAL MEETING of the Company will be held as scheduled below :-

DAY : Thursday
DATE : 25th July, 2013
TIME : 4.00 P. M.
PLACE : Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Ms. Jyoti R. Doshi, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Rajendra M. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s. K. S. Aiyar & Co., Chartered Accountants, bearing ICAI Registration No.100186W, the retiring Auditors of the Company, be and they are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to do Statutory Audit of the Company's accounts including its branches for the Financial Year 2013-14 on a remuneration as may be fixed by the Board of Directors of the Company and that they be paid, in addition, out of pocket and/or travelling expenses they may incur in carrying out their duties as such Auditors."

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII as amended up-to-date and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory amendment or re-enactment thereof for the time being in force) and subject to such other approvals / sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Mr. Rajas R. Doshi as the Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from 1st July, 2013 to 30th June, 2018 on the remuneration, perquisites and allowances and on other terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft Agreement to be entered into between the Company and Mr. Rajas R. Doshi, a copy whereof initialled by a Director of the Company for the purpose of identification is placed before this meeting which draft agreement is hereby specifically approved with liberty and power/authority to the Board of Directors (including Remuneration Committee) to increase, alter or vary the terms of the remuneration, perquisites and allowances including monetary value thereof as set out in the Agreement at

any time and from time to time and in such manner as the Board of Directors may deem fit and as may be agreed to between the Board and Mr. Rajas R. Doshi so as not to exceed the maximum limit for the payment of remuneration as per applicable provisions including Schedule XIII of the Companies Act, 1956 or any such re-enactment / amendment thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and are hereby authorised to do all acts, deeds, matters and things as the Board of Directors may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 228 of the Companies Act, 1956 and other provisions if any, consent of the Company be and is hereby accorded to the re-appointment of M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, retiring Branch Auditors of the Company to carry out Branch Audit, Limited Review and Tax Audit of the Company's Factories, Projects and Project Offices in the State of Andhra Pradesh, as Branch Auditors for the financial year 2013-14 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on a remuneration to be decided by the Board of Directors in consultation with the Branch Auditors plus reimbursement of out of pocket expenses as may be incurred by them.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board of Directors to appoint Branch Auditors of the Company under Section 228 of the Companies Act, 1956 for auditing accounts of such other locations of the Company in other State(s), if required to be audited under Section 228 of the Companies Act, 1956 for the financial year 2013-14, on such terms and conditions, as they may deem fit.

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

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

Registered Office:

Construction House, 2nd floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001

Date : 29th May, 2013



NOTICE

NOTES:-

(a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.**

(b) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special business under item Nos.6 and 7 above, to be transacted at the meeting is annexed hereto.

(c) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 12th July, 2013 to Thursday, 25th July, 2013 (both days inclusive).

(d) The Dividend for the year ended 31st March, 2013, as recommended by the Board, if sanctioned at the meeting, will be payable to those Members whose names appear in the Register of Members as on 12th July, 2013. In respect of shares held in Electronic (Demat) form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

(e) Shareholders who hold Shares in dematerialised form may please note that as advised by the Securities and Exchange Board of India, the Company will be mandatorily printing on the dividend warrants, the Shareholder(s) Bank Account details as furnished by the respective Depositories to the Company.

In order to avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, the shareholders are advised to avail of ECS facility, whereby the dividend amount will be directly credited to their respective Bank Accounts electronically. This will also ensure speedier credit of dividend. You may write to the Company's Registrar & Share Transfer Agent or your Depository Participants directly to avail benefit of this service / facility.

(f) As required under the Listing Agreement, a brief write up is given below in respect of three Directors whose re-appointment is placed before this AGM.

i) Ms. Jyoti R. Doshi (59) is B.A. (Hons) from University of Delhi. She is associated with the Company as Director since 1996. She has experience of more than 17 years in the Industry. She is also a Director of M/s. IHP Finvest Ltd., M/s Raj Jyoti Trading & Investment Pvt. Ltd., M/s. Mobile Systems India Pvt. Ltd., M/s. Ratanchand Investment Pvt. Ltd., Ratanchand Hirachand Foundation, Walchand Hirachand Foundation and Smt. Pramila Shantilal Shah Charity Foundation and a Trustee of Walchand Trust. She is associated with various Social Charitable activities. She has been District Chairman and President of Inner Wheel Club of Bombay. She has served as a Chair Person of Maharashtra Chamber of Commerce & Industry - Ladies Wing for two years. She is also a Trustee of Society for Rehabilitation of Crippled Children. She is a Member of the Executive Committee of Indian Merchants' Chamber -

Ladies Wing and had also shouldered the responsibility of the prestigious Exhibition Committee as Chairperson. She is relative of Mr. Rajas R. Doshi, Chairman and Managing Director and Mr. Mayur R. Doshi, Executive Director of the Company.

Ms. Jyoti R. Doshi holds 1,56,665 Equity Shares of the Company.

ii) Mr. Rajendra M. Gandhi (66) is Bachelor of Engineering (Metallurgy) from University of Pune and MBA from Michigan University, U.S.A., having good financial knowledge. He is associated with the Company since 1996 and has industry experience of more than 39 years besides being the Proprietor of M/s. Navbharat Automobiles, Solapur. He is Chairman of the Audit Committee and Member of the Remuneration Committee of the Company.

Mr. Rajendra Gandhi does not hold any Shares of the Company.

iii) Mr. Rajas R. Doshi, Chairman & Managing Director (61) is a graduate in Civil Engineering from Shivaji University. He joined Hindustan Construction Co. Ltd. (HCC) in 1975 and worked in HCC for 5 years and joined the Company in 1981 as Senior Executive at Wadala factory. Thereafter he served the Company in the capacities of Chief Engineer, General Manager and was appointed Joint Managing Director on 1st July, 1988. He was appointed as Chairman & Managing Director on 14th April, 1994.

He is also on the Boards of following companies :

1. Hindustan Construction Co. Ltd.
2. IHP Finvest Ltd.
3. Modern India Ltd.
4. Raj Jyoti Trading & Investment Pvt. Ltd.
5. Mobile Systems India Pvt. Ltd.
6. Ratanchand Investment Pvt. Ltd.
7. Ratanchand Hirachand Foundation
8. Walchand Hirachand Foundation
9. Smt. Pramila Shantilal Shah Charity Foundation
10. Prestressed Concrete Pipe Manufacturers Association of India

Companies under Section 25 of the Companies Act, 1956

He is also associated with a Charitable Institution. He is member of Shareholders' / Investors' Grievance Committee of the Company. Further he is Chairman of Remuneration Committee and Shareholders' / Investors' Grievance Committee of Modern India Ltd. and member of Audit Committee. He is also member of Audit Committee and Shareholders' / Investors' Grievance Committee of HCC.

Mr. Rajas R. Doshi holds 2,04,575 Equity Shares of the Company.

Ms. Jyoti R. Doshi, a Director is wife of Mr. Rajas R. Doshi.

Mr. Mayur R. Doshi, Executive Director is son of Mr. Rajas R. Doshi.

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- (g) Transfer to Investor Education & Protection Fund :
- i) In terms of the provisions of Section 205A read together with Section 205C of the Companies Act, 1956, unpaid and unclaimed dividend for the financial year ended 31st March, 2005 had been transferred by the Company to the Investor Education & Protection Fund (IEPF) established by the Central Government under Section 205C of the Act.
- ii) It may be noted that pursuant to the provisions of above mentioned section, the amount of dividend which has remained unclaimed and unpaid for a period of 7 years from the date when it became due for payment is required to be transferred to the IEPF constituted by the Central Govt.

Accordingly, the amount of dividend for the financial year 2005-06 which remain unclaimed and unpaid as aforesaid shall be due for transfer to the IEPF on 05-09-2013 and no claim shall lie against the IEPF or the Company in respect of such amounts. We therefore request the members who have not yet encashed their dividend warrants for the financial year 2005-06 and onwards to write to the Company claiming dividends declared by the Company for the said financial years.

- iii) It may be noted that unpaid dividend for the following financial years is due for transfer to IEPF on the following respective due dates :

Financial year	Date of declaration of Dividend	Date of Payment of Dividend	Due date of transfer to IEPF
2005-06	31-07-2006	07-08-2006	05-09-2013
2006-07	30-07-2007	07-08-2007	04-09-2014
2007-08	30-07-2008	06-08-2008	04-09-2015
2008-09	27-07-2009	01-08-2009	01-09-2016
2009-10	29-07-2010	01-08-2010	01-09-2017
2010-11	27-07-2011	01-08-2011	01-09-2018
2011-12	25-07-2012	30-07-2012	31-08-2019

- (h) As per the provisions of the Companies Act, 1956, facility for making nomination is now available. The Shareholders holding shares in physical mode may download the Nomination Form from the Company's website www.indianhumepipe.com in "Financials – Corporate Governance" or may obtain it from the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company, M/s Link Intime India Pvt. Ltd. The Shareholders holding shares in demat mode may approach their Depository Participants for registering nomination details.
- (i) To support the "GREEN INITIATIVE" of the Government and enable the Company to send in electronic form Annual Reports, Notices, documents, communications and dividend payment intimation to the Members' Email Ids and to facilitate receiving of dividend to the Bank account of the Members through ECS/NECS, the members holding shares in physical form are requested to register / update their Email Ids and Bank details by downloading the Shareholder Information Form from the Company's website www.indianhumepipe.com in "Financials – Corporate Governance" and submit the same to

Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. The Shareholders holding shares in demat mode are requested to approach their Depository Participants for registering Email Ids and Bank details.

- (j) Members are requested to immediately notify change in their registered address, if any, to the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., for shares held in physical mode. For shares held by the Members in demat mode they are requested to immediately notify change in their registered address, if any, to their respective Depository Participant.
- (k) Members are requested to bring copy of the Annual Report at the time of attending the Annual General Meeting.
- (l) Members / Proxy-holders are requested to produce Admission Slip forwarded to them, duly completed and signed, at the entrance of the Hall for admission to the Meeting Hall.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956

Item No.6 :

The members at the Annual General Meeting of the Company held on 30th July, 2008 had re-appointed Mr. Rajas R. Doshi as Chairman & Managing Director of the Company and approved the terms of remuneration, for a period of 5 years with effect from 1st July, 2008 to 30th June, 2013. Further the Members had approved payment of Minimum Remuneration to Mr. Rajas R. Doshi, Chairman & Managing Director of the Company for the financial year 2011-12 and for the remainder of his term up to 30th June, 2013 in the event of inadequate profits or loss during the said financial years by way of Special Resolution at the Annual General Meeting held on 25th July, 2012 subject to the approval of the Central Govt. Thereafter the Central Govt. had approved the payment of Minimum Remuneration of ₹ 1,19,76,122/- (Rupees One Crore Nineteen Lacs Seventy Six Thousand One Hundred and Twenty Two only) for the financial year 2011-12 and ₹ 1,41,56,870/- (Rupees One Crore Forty One Lacs Fifty Six Thousand Eight Hundred Seventy only) for the financial year 2012-13 and ₹ 35,44,405/- (Rupees Thirty Five Lacs Forty Four Thousand Four Hundred Five only) from 1st April, 2013 to 30th June, 2013 in the event of inadequate profits or loss during the said financial years, vide letter No.SRN B35933480/01/ 2012-CL-VII dated 23rd August, 2012.

The Board of Directors of the Company on recommendation of the Remuneration Committee have re-appointed Mr. Rajas R. Doshi as Chairman & Managing Director of the Company for a further period of five years from 1st July, 2013 to 30th June, 2018 at its meeting held on 29th May, 2013, subject to the approval of the Shareholders of the Company at the ensuing AGM.

The main terms & conditions regarding the re-appointment and payment of remuneration, perquisites & allowances and commission proposed to be paid to Mr. Rajas R. Doshi from 1st July, 2013 to 30th June, 2018 are set out in the draft Agreement placed before the meeting for its approval. The said



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terms were approved by the Remuneration Committee of the Company and on its recommendation the same was approved by the Board of Directors of the Company, subject to the approval of the Shareholders of the Company at the ensuing AGM.

The Board has recommended the re-appointment of Mr. Rajas R. Doshi as Chairman & Managing Director of the Company for the aforesaid period for the approval of the Members.

The main terms and conditions of the draft agreement are as follows :

- A. Name and Designation : Mr. Rajas R. Doshi,
Chairman & Managing Director.
- B. Period : From 1st July, 2013 to 30th June, 2018
- C. Remuneration:

- (i) Salary
₹ 7,00,000/- per month
(in the scale of ₹ 7,00,000 – ₹ 1,00,000 – ₹ 11,00,000)
- (ii) Perquisites & Allowances :

In addition to the salary and commission payable, the Chairman & Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance @ 60% of the salary, reimbursement of actual medical expenses incurred in India and / or abroad for himself and his family including hospitalization, payment of insurance premium towards medical insurance policies and reimbursement of expenses for utilities such as gas, electricity, water, furnishing, repairs and other allowances, fees of clubs including admission, entry fees and monthly or annual subscriptions, personal accident insurance and leave travel allowance for self and his family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Remuneration Committee and Board of Directors and the Chairman & Managing Director from time to time. However, such perquisites and allowances will be subject to maximum of 125% of the annual salary.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- (iii) (a) The Company shall provide Company maintained car with driver / reimbursement expenses of driver for use by the Chairman & Managing Director and shall also provide at his residence telephones (including payment for local calls and long distance official calls), reimbursement of Mobile phones expenses & outgoing, telefax and other communication facilities.

- (b) The Chairman & Managing Director will be entitled for privilege leave on full pay and allowances and / or encashment thereof as per the rules of the Company.
- (c) 1) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income-Tax Act;
- 2) Gratuity payable as per the rules of the Company.
- 3) Encashment of leave at the end of the tenure.

The above perquisites shall not be included in the computation of above ceiling

D. Commission

Such remuneration by way of Commission, in addition to salary, perquisites and allowances calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Remuneration Committee and/or Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956.

E. Minimum Remuneration

Notwithstanding anything to the contrary hereinabove contained, where in any financial year during the currency of the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay him remuneration by way of salary, perquisites and allowances as specified above, as per relevant applicable provisions of law including Schedule XIII of the Companies Act, 1956.

The draft Agreement between Mr. Rajas R. Doshi and the Company is available for inspection to the Members at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. up to the date of the 87th Annual General Meeting of the Company.

Mr. Rajas R. Doshi, Chairman & Managing Director, Ms. Jyoti R. Doshi, Director and Mr. Mayur R. Doshi, Executive Director of the Company, being relatives are concerned and interested in the resolution.

No other Director is concerned or interested in the above Special Resolution at item No.6.

The Board recommend the above Special Resolution for your approval.

Item No.7 :

At the Annual General Meeting held on 25th July, 2012, the Members had re-appointed M/s. Brahmayya & Co., Chartered Accountants as Branch Auditors for the financial year 2012-13 for the State of Andhra Pradesh.

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The Board of Directors at their meeting held on 29th May, 2013 has recommended the re-appointment of M/s. Brahmayya & Co., Chartered Accountants to carry out the Branch Audit in the State of Andhra Pradesh for the financial year 2013-14 commencing from 1st April, 2013 at a remuneration to be decided by the Board of Directors in consultation with Branch Auditors plus out of pocket expenses as may be incurred by them. The Branch Auditors will carry out the Branch Audit, Limited Review, Tax Audit and prepare a report on examination of the accounts of the Company's Factories, Projects and Project Offices in the State of Andhra Pradesh and forward their report to the Company's Statutory Auditor, who shall in preparing the Auditors' Report, deal with the same in such manner as they may consider fit and proper.

Further the Members consent is also sought for appointment of Branch Auditors u/s 228 of the Companies Act, 1956, in other State(s), if required, on such terms & conditions, as the Board of Directors may deem fit.

None of the Directors of the Company is concerned or interested in this Resolution at item No.7.

The Board recommend the above resolution for your approval.

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

Registered Office:

Construction House, 2nd floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001

Date : 29th May, 2013

Important Communication to Members

The Ministry of Corporate Affairs has taken a "GREEN INITIATIVE in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notices / documents including Annual Reports etc. can be sent by e-mail to its members.

To support the "GREEN INITIATIVE" of the Government and enable the Company to send in electronic form Annual Reports, Notices, documents, communications and dividend payment intimation to the Members' Email Ids and to facilitate receiving of dividend to the Bank account of the Members through ECS/NECS, the members holding shares in physical form are requested to register / update their email ids and Bank details by downloading the Shareholder Information Form from the Company's website www.indianhumepipe.com in "Financials – Corporate Governance" and submit the same to Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. The Shareholders holding shares in demat mode are requested to approach their Depository Participants for registering email ids and Bank details.

Continuing the "GREEN INITIATIVE" this Annual Report is printed on recycled papers except the cover and back page.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE & DEVELOPMENT:

We all know that water is a prime natural resource and a basic human need for survival and existence. Indeed water is fundamental to our life. In view of the vital importance of water for human, animal & plant life, for maintaining ecological balance and for economic and developmental activities of all kinds and considering its increasing scarcity, the planning and management of this resource and its optimal economical and equitable use has become a matter of national importance.

Your Company has been in the business of manufacturing, laying and jointing of pipelines of various pipe materials such as RCC pipes, Steel pipes, Prestressed Concrete pipes, Penstock pipes, Bar Wrapped Steel Cylinder pipes (BWSC), Prestressed Concrete Cylinder pipes (PCCP) etc., which provide infrastructure facility and development for drinking water supply projects, irrigation projects, Hydro Electric Projects, Sanitation and Sewerage Systems. For over a decade as a part of nation building, your Company has also been undertaking infrastructure development programmes by way of executing on turnkey basis the combined water supply projects i.e. undertaking the complete job of water supply from source to distribution centers which apart from manufacturing, laying and jointing of pipelines included construction of intake wells, water sumps, water treatment plants, water pumping stations, installation of pumping machineries, electro-mechanical works, branch mains, ground level reservoirs, elevated reservoirs, leading to executions of complete systems for water supply to various towns and villages of India.

2. OPPORTUNITIES AND THREATS:

The population of the country is expected to reach a level of around 139 Crores by year 2025 (Source :- National Water Policy 2002) which will further aggravate the scarcity of water to the people of India. As it is with the growing population demanding more food, more products and higher standards of living, the shortage of drinking water can only get worse. Thus there is a vast scope for improvement in Infrastructural developmental activities in water supply, drainage schemes and sewerage schemes in sanitation segments leading to good scope for Company's manufacturing & contracting activities in this field.

Growth of population and the expansion of economic activities inevitably lead to increasing demands for water for diverse purposes i.e. domestic, industrial, agricultural, hydro-power, thermal power, navigation, recreation etc. Domestic and Industrial water needs have been largely concentrated in or around major cities, however the demand in rural areas is expected to increase sharply as the development programmes of State Governments to improve the economic conditions of the rural mass. Demand for water for hydro and thermal power generation and for other industrial uses is also increasing substantially. As a result water which is already scarce will become even scarcer in future. This underscores the need for the utmost efficiency in water utilisation and its distribution. Through awareness of efficient water supply system and water quality, we can keep our water supply adequate and provide clean & healthy water for our children. It is their fundamental right. Hence there is a good

scope for many water supply projects coming up in near future and this auger well for your Company.

Increased competition from medium/large scale construction entities and availability of substitutes such as alternative pipe materials like ductile iron pipes, spirally welded steel pipes, G.R.P. and H.D.P. E. pipes are perceived as one of the threat / competition to your Company. Another cause is prices of key raw materials namely steel, steel wires, HT wires and cement, which has remained volatile and uncertain except for last year under review.

3. SEGMENT-WISE ACTIVITY:

The Company is considered a pioneer in the field of water industry, it is in this line for last more than 86 years. The Company's presence is there in almost all water supply related activities, viz. Urban & Rural Water Supply, Penstock for Hydro Power Generation, Tunnel Lining, Large diameter Irrigation pipelines, Head Works including pumping machinery, Treatment Plants, Overhead Tanks and other allied Civil Construction. The Company also supplies Concrete Railway sleepers to Indian Railways. The segment wise report is as under:

(A) WATER SUPPLY AND SEWERAGE PROJECTS:

(i) Some prominent Water Supply Projects and Drainage Schemes successfully completed by your Company valued more than ₹ 1000 Lacs each during the year are:-

1. From The Superintending Engineer, Public Health Circle, Ananthapur for investigation, survey, design and execution of Dharmavaram Water Supply Scheme with Chitravathi Balancing Reservoir as source under UIDSSMT Scheme consisting of 800 mm dia PSC Pipes and 700-800 mm dia MS Pipes of the value of ₹ 6,553.80 Lacs.



Clariflocculator at Dharmavaram Water Supply Scheme

2. From Public Health Engineering, Project Division, Raipur, Chhattisgarh for design, manufacturing, providing, laying, jointing, testing, commissioning and one year operation & maintenance of M.S. pipeline with concrete lining and coating under Raipur Augmentation Water Supply Scheme consisting 1700 mm dia and 1400 mm dia M. S. Pipeline 15.20 km and 3.60 km, respectively of the value of ₹ 6,147 Lacs.
3. From Nagarjuna Construction Company Limited, Bangalore for Cauvery WSS stage IV Phase-II BWSSB W5d Project for

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- drinking water supply to Bangalore. This involves supply & laying of 2125 mm, 1825 mm & 1025 mm dia M.S. Pipes of the value of ₹ 5,400 Lacs.
4. From Superintending Engineer, Public Health West Circle, AC Guards, Hyderabad for Siddipet Water Supply Improvement Scheme with Manuru river at Yashwada as source including intake structure, transmission mains, filtration plant, sumps, pump house, pumping machinery including generators, feeder mains, ELSR and GLSR and all other appurtenant works consisting of 600 mm dia BWSC pipes of the value of ₹ 4,554.39 Lacs.
 5. From Chief Engineer, Greater Vishakapatnam Municipal Corporation, Vishakhapatnam for augmentation of drinking water supply to Gajuwaka Area in Vishakhapatnam under Sub-Mission on Urban Infrastructure and Governance under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) Package-1 consisting of 1000 mm dia BWSC and 1000 mm dia PSC pipes of the value of ₹ 3,356.62 Lacs.
 6. From M/s IVRCL Ltd, for Manufacture and supply of PSC pipes consisting of 400 mm dia to 900 mm dia for Tipituru Water supply Scheme of the value of ₹ 2,676.77 Lacs.
 7. From The Chief Engineer, TWAD Board, Western Region, Coimbatore for implementation of Combined Water Supply Scheme to Madathukulam, Sankaramanallur, Kumaranlingam, Kaniyur Town Panchayats and 112 Rural Habitations in Madathukulam, Udumalpet and Kudimangalam Unions of Tiruppur District of the Value of ₹ 2,590.95 Lacs.
 8. From The Superintending Engineer, Public Health Circle, N.E.Seethammadhara, Vishakhapatnam, Andhra Pradesh for Investigation, Surveying, design, preparation of detailed estimates and execution of the project Srikakulam Water Supply Improvement Scheme to draw a quantity of 21.19 MLD of drinking water from river Nagavali as Source under UIDSSMT Programme consisting of construction of infiltration wells, infiltration galleries, collection well cum pump houses, providing suitable capacity pump sets in the collection well cum pump houses, pumping main from the collection wells to the balancing reservoir, balancing reservoir, gravity mains to the existing and proposed service reservoirs in 11 water supply blocks, ELSRs and distribution network for the entire town including mechanical and electrification works, barricading works, diversion of traffic, temporary roads, as per CPHEEO manuals and relevant IS Codes including two years defect liability period consisting of 250-800 mm dia BWSC pipes of the Value of ₹ 2,199.22 Lacs.
 9. From The Chief Engineer, BWSSB, Bangalore for O-Flow Bangalore drainage Scheme consisting of RCC Pipes of the value of ₹ 1,770.47 Lacs.
 10. From M/s IVRCL Ltd, for Manufacture and supply of PSC pipes consisting of 350 mm dia to 1100 mm dia for Tumkur Water supply Scheme of the value of ₹ 1,560.89 Lacs.
 11. In addition to the above we have successfully completed 35 projects amounting to ₹ 5,894.86 Lacs of the value less than ₹ 1,000 Lacs each at various locations in India.



Intake Well Cum-Pump House in River Godavari for Bhadrachalam Water Supply Scheme

(ii) Company's works on many Water Supply Projects and Drainage Schemes valued more than ₹ 2500 Lacs each are progressing well and/or nearing completion and the noteworthy amongst them are:-

1. From The Superintending Engineer, AVR, HNSS Circle No.3, Madanapalli, Andhra Pradesh for survey, investigation, design, drawings, estimation, construction and commissioning on Turnkey basis including maintenance for 15 years (including 2 years liability period) of Pulikanuma L.I.Scheme on Tungabhadra river near Satanur Village, Kosigi Mandal in Kurnool District with two stage pumping consisting of (a) construction of approach channel, (b) Jack-well cum pump house including manufacture, supply, erection of pumps, motors, panels, soft starters, capacitors, E.O.T. & H.O.T. cranes and all other electrical equipment, (c) 33 KVA sub-station, (d) H. T. Power lines, (e) Pressure mains consisting of 2000 mm dia PSC pipeline (f) Cisterns, (g) Reservoirs/ Storage tank of capacity 1.232 TMC including Head Regulator and surplus arrangements, (h) approach and link canal to join the T.B.P.L.L.C main canal @ km 270 etc. in Joint Venture with M/s. Flowmore Pvt. Ltd. of the value of ₹ 26,309.92 Lacs. Our Share is 86% i.e. ₹ 22,626.53 Lacs.
2. From The Superintending Engineer, Rural Water Supply & Sanitation Ananthapur, for J.C. Nagi Reddy Drinking Water Supply Scheme in Ananthapur District (Phase-IV) consisting of 350, 800 & 900 mm dia BWSC pipes of the value of ₹ 15,384.57 Lacs.
3. From The Chief Engineer, TWAD Board, Western Region, Coimbatore for providing water supply to Palladam Municipality, 23 Town Panchayats and 965 rural habitations in Coimbatore and Tiruppur District consisting of 460 mm to 1020 mm dia 66.67 Km MS Pipes, 100 mm dia to 400 mm dia 89.36 Km DI Pipes and 50 mm to 160 mm dia 950.80 Km PVC Pipes including 17 Nos Sump and 103 Nos Service Reservoir of the value of ₹ 15,200.50 Lacs.



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66.67 km, 900 mm dia MS pipes for Palladam Water Supply Project



Elevated Service Reservoir of 1.3 Lakh Liter Capacity 16 Meters Staging for Palladam Water Supply Project

4. From The Superintending Engineer, RWS&S, Anantapur for J.C.Nagi Reddy Drinking Water Supply Scheme Phase II & III in Ananthapur District. Consisting of 500mm dia 114 Km. BWSC pipes and 32 Km MS pipes 600mm dia to 1000mm dia of the value of ₹ 13,592.90 Lacs.
5. From The Chief Engineer, TWAD Board, Southern Region, Madurai for providing CWSS to 637 rural habitations Aruppukottai, Kariapatti, Thiruchuri and Narikudi Unions in Virudhunagar District consisting of 100 mm to 600 mm dia 212.63 Km DI Pipes and 50 mm to 160 mm dia 1028.38 KM PVC Pipes including 142 Nos Sump and 49 Nos Service Reservoir of the value of ₹ 12,171.73 Lacs.
6. From The Superintending Engineer, RWS Circle, PR Department, Anantpur for supply, laying, jointing, testing and commissioning of BWSC, DI, GRP and MS Pipes with allied civil works including construction of sumps, intake well cum pump house with Foot Bridge and ground level balancing reservoir etc. for J. C. Nagi Reddy Phase I Drinking Water Supply Project in Anantpur District of the value of ₹ 11,589.71 Lacs.
7. From The Chief Engineer, TWAD Board, Southern Region, Madurai for providing CWSS to 7 Town panchayats and 395 rural habitations in Rajapalayam, Srivilliputhur and Watrap unions in Virudhunagar District consisting of 100 mm to 600 mm dia 165.61 Km DI Pipes and 50 mm to 160 mm dia

669.34 Km PVC Pipes including 103 Nos Sump and 16 Nos Service Reservoir of the value of ₹ 10,937.08 Lacs.

8. From Bangalore Water Supply & Sewerage Board, Bangalore for Replacement / Rehabilitation of existing Sewerage System in Hebbal Valley (S2A) and in Challagatta Valley (S2B) in Bangalore consisting of RCC Pipes. The Drainage Pipelines are to be lined using polyurea for the first time in India in a large project. Pipeline is lined with polyurea for corrosion protection & chemicals resistance. Project consists of 400mm dia to 2400mm dia NP3 class RCC pipes of the total 17.34 Km of the combined value of ₹ 10,021 Lacs.
9. From The ADVISOR-I, Andhra Pradesh Industrial Infrastructure Ltd, Parishrama Bhavan, Basheerbagh, Hyderabad, Andhra Pradesh for Manufacturing, supplying, lowering, laying, jointing, testing and commissioning of 2200mm dia MS pumping main with cement mortar factory inlining and outcoating and other appurtenances from Proposed Intake Well near Old Madhavaram on foreshore of Somasila Reservoir to the Proposed Sump at Kanumalonipalli (on Kadapa – Rajampet Highway) including Manning & Operation for a period of 24 months (defect liability period)- Package-I (Somasila) consisting of 2200 mm dia MS pipes for 28 Km of the value of ₹ 7,486.84 Lacs.
10. From Chalisgaon Municipal Council, Chalisgaon City Water Supply Scheme for providing constructing Intake well, Inspection Well connecting main approach Bridge, Jack well with overhead pump house, installing raw water pumping machinery, raw water rising main, E.B.P.T. gravity main, water treatment plant, pure water pumping machinery, pure water rising main, R.C.C.M. B. R., R.C.C. E.S.R for 700 mm dia and 800 mm dia BWSC pipeline for 33.39 Km of the value of ₹ 7,194.30 Lacs.



33.39 km, 800 mm dia BWSC Pipes for Chalisgaon Water Supply Scheme

11. From Superintending Engineer, Public Health Circle, Nellore for Tirupati Municipal Corporation UIDSSMT Scheme: Part I: investigation, survey, design and execution of Under Ground Drainage Scheme on eastern side of Tirumala Bye Pass Road. Part II: investigation, survey, design and execution of storm water drainage scheme for Tirupati Municipal Corporation of the value of ₹ 6,798.95 Lacs.

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12. From The Superintending Engineer, Rural Water Supply & Sanitation, Sangareddy for CPWS schemes in Medak District for CPWS scheme to Narsapur, Kondapur, Gajwel, Chegunta, Khadirabad, Zahirabad and other Habitations with Special Repairs to Satyasai Project consists of DI/MS/BWSC/HDPE/PVC pipes of the total 1098.2 Km of the value of ₹ 6,122.81 Lacs.
13. From The Chief General Manager (Engg), H. M. W. S. & S. B., S. R. Nagar, Hyderabad for rehabilitation, strengthening and improvement of sewerage system in old city area by laying mains, sub-mains, laterals and transfer of house service connections including manufacturing, supply of 150mm/200mm / 300mm dia SWG pipes and 350mm / 400mm / 450mm / 500mm / 600mm / 700mm/ 800mm / 900mm / 1100mm / 1200mm / 1400mm dia RCC NP3 class pipes with SR cement including lowering, laying, jointing, testing and commissioning of sewers on turnkey basis under JNNURM - Package-II in Joint Venture with M/s. Vishwa Infrastructure & Services Pvt. Ltd. of the value of ₹ 12,006.76 Lacs. Our share is 50% i.e. ₹ 6,003.38 Lacs.
14. From The Superintending Engineer, I & CAD Dept., GRP Circle, Yemmiganoor, for investigation, Design, Estimation and execution of 3 Nos of Lift Irrigation Schemes, supply water to 13,700 acres by lifting water all along Tunghabhadra River under Guru Raghavendra Project namely Duddi, Madhavaram and Basala Doddi (Two Stage) near Mantralayam, Kurnool District of the value of ₹ 5,999.23 Lacs.
15. From The Superintending Engineer (XVII) Circle, U.P. Jal Nigam, Ghaziabad for survey, design, supply, laying, jointing, testing & commissioning 2000 mm dia PSC pipes 19.22 Km from Upper Ganga Canal for Noida to Ghaziabad of the value of ₹ 5,875.29 Lacs.
16. From The Superintending Engineer, Public Health Division, Ananthapur for investigation, survey, design and execution of Dhone Water Supply Scheme with Sanjeevaiah Sagar (Gajuladinne Reservoir) as source under UIDSSMT Scheme consisting of 600 mm dia BWSC pipes of the value of ₹ 5,303.65 Lacs.
17. From Manmad Nagar Palika, Manmad the work comprise of excavation of 504 ML capacity balancing tank, 10 MLD capacity WTP, Jackwell & pumping machinery consisting of 1000 mm dia and 600 mm dia PCCP Pipeline for 17.94 Km of the value of ₹ 4,291 Lacs.
18. From Maharashtra Jeevan Pradhikaran, Sangamner for Sangamner Water Supply Scheme for providing, laying, jointing & commissioning of 711 mm dia MS and 600 & 700 mm dia BWSC pipes of the value of ₹ 4,219.93 Lacs.
19. From The Superintending Engineer, Public Health, Seethammadhara North Extns., Vishakapatnam, for Rajam Water Supply improvement scheme under UIDSSMT consisting of 350-450 mm dia 19.40 Km BWSC, 150-250 mm dia 7.39 Km DI,

250-400 mm dia 4.04 Km AC and 110-225 mm dia 62.60 Km HDPE Pipes including Infiltration, Wells, GLSR/ELSR's CC/BT Roads etc of the value of ₹ 3,826.70 Lacs.



19.40 km, 400 mm dia BWSC pipes for Rajam Water Supply Scheme

20. From Superintending Engineer, RWSS Circle, Karimnagar for CPWSS to Alair, Gundala and Rajapeta Mandals in Nalgonda District project consisting of 250 mm dia DI, 200-300 mm dia AC and 63-180 mm dia PVC pipes including 3MLD RSF, OHBR/GLBR's Collection well cum Pump House of the value of ₹ 3,284.87 Lacs.
21. From The Superintending Engineer, Public Health West Circle, Hyderabad for Sadasivapet WSIS - with Manjira river at Etigadda Sangam as source under UIDSSMT- providing intake well cum pump house of RCC including providing BWSC raw water and clear water pumping mains to different ELSRs and HDPE distribution lines, providing filtration plant (10.20 MLD), 500 KL clear water sump and pump room, and construction of ELSRs including protection walls and providing of pump sets with all electrical and mechanical equipments and providing road restoration and service road with 2 years defect liability period under EPC system of the value of ₹ 3,273.84 Lacs.



90,000 Liter Overhead Balancing Reservoir for Amalapuram Water Supply Scheme



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22. From The Superintending Engineer, Rural Water Supply & Sanitation, Project Circle, Kakinada for providing CPWS scheme to Allavaram Amalapuram and Uppalaguptram Mandals in East Godavari District for Consisting of 250, 300, 350 mm dia DI and 75 to 315 mm dia PVC and 400 mm dia BWSC Pipes for 105 Km of the value of ₹ 3,118.71 Lacs.
23. From The Vice-Chairman and Managing Director, Andhra Pradesh State Irrigation Development Corporation Limited, Banjara Hills, Hyderabad, for Construction and Commissioning on turnkey basis of Morjampadu Lift Irrigation scheme on right bank of Krishna River near Govindapuram Village in Machavaram Mandal of Guntur District including operation of the scheme for one year consisting of 1600 mm and 1800 mm dia 4.05 Km PSC pipe and 1600 mm dia 3.06 Km MS pipe of the value of ₹ 3,059.30 Lacs.



4.05 km, 1800 mm dia PSC pipes for Morjampadu Lift Irrigation Scheme

24. From Superintending Engineer, Public Health Circle, Nellore for investigation, design, execution of Nagari Water Supply Scheme by construction of storage tank, treatment plant, erection of pumping machinery, construction of pump houses, laying of raw water / clear water pumping mains / gravity mains, construction of clear water sump at treatment plant, construction of ELSRs', including trial run and commissioning of the scheme with GNSS as source of the value of ₹ 2,917.33 Lacs.
25. From Superintending Engineer, RWSS Circle, Nalgonda for CPWS scheme to Flouride Affected Habitations of Maheswaram Constituency in R. R. Dist for 100-500 mm dia DI, 200-350 mm dia AC and 90-180 mm dia HDPE pipes including OHBR's Sump and Pump House of the value of ₹ 2,786.99 Lacs.
26. From The Executive Engineer, APSIDC, Miryalguda for Peddaveedu Lift Irrigation Scheme for 500-1100 mm dia PSC and 600-1600 mm dia RCC pipes including Jackwell cum Pump House, Transformers, VT Pumpsets etc of the value of ₹ 2,703.48 Lacs.
27. From M/s IFFCO Kisan SEZ Limited, Nellore for Construction of underground Water Pipe Line including Civil, Electrical and Mechanical works from Kinigiri Reservoir to IKSEZ Project

site, Nellore of 900 mm dia PSC pipe including Jack Well cum Pump House and all related Electro Mechanical Works of the value of ₹ 2,618.10 Lacs.

28. From Bhopal Municipal Corporation for providing, laying, jointing, testing & commissioning of various diameter of HDPE/DI Pipes with all fittings, specials, interconnection and other appurtenant works etc complete in gas affected areas (Ward No. 11 to 16 & 66 to 71 of Bhopal City consisting of 307.42 Km HDPE Pipes and 2.86 Km DI Pipes of the value of ₹ 2,584.58 Lacs.
29. In addition to the above, 54 projects are progressing well amounting to ₹ 46,353.65 Lacs of the value less than ₹ 2,500 Lacs each at various locations in India.



3750 mm dia x 1800 mm dia M.S. Pipes for Turbine Generator-2 at 2x600 mas D. B. Super Thermal Power Plant, Raipur

(iii) Some of the New Orders secured by the Company valued more than ₹ 1000 Lacs each during the year are:-

1. From The Chief General Manager (Engg), PCC-I, HMWS&SB, Khairatabad, Hyderabad, for Manufacturing, supplying, lowering, laying, jointing, testing and commissioning of 2200 mm dia MS Gravity main with cement mortar inlining and outcoating from MBR at Gungal to Sahebnagar (along Nagarjunasagar - Hyderabad road from Km 40/2 to 11/2) including Manning Operation and Maintenance for 24 months - Package-IV - KDWSP-Phase - III of the value of ₹ 13,145.50 Lacs.
2. From Superintending Engineer, I&CAD, Kurnool for Pulakurthy Lift Irrigation Scheme of Intake Channel, Jackwell cum PH, SS Tank and Electro mechanical works consisting of 1900 mm dia PSC for 14.18 km and 1900 mm dia MS for 2 Km and 500 mm dia RCC P2 for 5.76 Km pipes of the value of ₹ 9,060.90 Lacs,
3. From Maharashtra Krishna Valley Development Corporation for Chilhwadi Pipeline project of PCCP pipeline of 900-1500 mm dia for 28.11 Km and BWSC Pipeline of 350-800 mm dia for 9.14 km of the value of ₹ 9,012 Lacs.
4. From The Chief General Manager (Engg), PCC-I, HMWS&SB, Khairatabad, Hyderabad, for Manufacturing, supplying,

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- lowering, laying, jointing, testing and commissioning of 2375 mm dia MS pumping main with cement mortar factory inlining and outcoating from WTP at Kodandpaur to CWR at Nasarlapally (along Nagarjunasagar - Hyderabad road from Km 116 to 82/2 Km) including manning, operation and maintenance for a period of 2 years - Package - I - KDWSP-Phase-III of the value of ₹ 5,965.83 Lacs.
5. From Nagar Palika Parisad, Chhindwara for 150 mm dia to 600 mm dia DI Pipes of 31679 Mtrs and 110 to 200 mm dia HDPE pipes consisting of 225065 Mtrs for Lum-sum Survey, Design & Construction of intake well including raw water pump house, raw water v.t. pumps clear water pumps, providing & laying of raw & clear water pumping main feeder main pipeline, construction of 15.85 MLD water treatment plant including 2.40 MLD sump well, clear gravity main raw water rising main line distribution and all allied works of the value of ₹ 4,529 Lacs.
 6. From Bangalore Water Supply & Sewerage Board, Bangalore for S2E2 Drainage Project for manufacture, supply, laying, jointing & testing of RCC NP3 Class pipes from 400 mm dia to 2400 mm dia for 3810 Mtrs of the value of ₹ 3,544 Lacs.
 7. From Bangalore Water Supply & Sewerage Board, Bangalore for S2E3 Drainage Project for manufacture, supply, laying, jointing & testing of RCC NP3 Class pipes from 1100 mm dia to 2200 mm dia for 3299 Mtrs of the value of ₹ 3,103 Lacs.
 8. From SPML Infra Ltd, For Pokaran Falsoond Baltora Siwana Lift Water Supply Scheme pkg. SPR2A of 1300 mm dia 13,925 Mtrs and 1200 mm dia 6,475 Mtrs BWSC pipes of the value of ₹ 2,666.03 Lacs.
 9. From The Superintendent Engineer, Andhra Pradesh State Irrigation & Development Corporation Ltd. (APSIDC) Hyderabad for Construction and commissioning on turnkey basis of Revuru L.I.S, Buggamadharam L.I.S and Chinthalapalem L.I.S in Mellacheruvu Mandal & Amaravaram L.I.Scheme in Mattampalli Mandal of Nalgonda district on fore shore of Pulichinthala Project to supplement tail end ayacut of NSP including operation of the schemes for two years consisting of 1100-1300 mm dia PSC pipes of the value of ₹ 2,288.71 Lacs.
 10. From M/s Larsen & Toubro Ltd for supply of BWSC pipes for Sri Sathya Sai Central Trust for their Puttaparthi Project consisting of 400-500 mm dia BWSC pipes of the value of ₹ 1,956.79 Lacs.
 11. From Uttrakhand Urban Sector Development Investment Program Govt. of Uttarakhand Dehradun for supplying, laying, jointing, testing and commissioning of clear water transmission and feeder mains from various clear water reservoirs to overhead tanks in Dehradun of the value of ₹ 1,772.27 Lacs.
 12. From Bangalore Water Supply & Sewerage Board, Bangalore for S2E1 Drainage Project for manufacture, supply, laying, jointing & testing of RCC NP3 Class pipes from 400 mm dia to 900 mm dia for 5588 Mtrs of the value of ₹ 1,696 Lacs.
 13. From The Vice Chairman and Managing Director, APSIDC Department, Hyderabad for Construction & Commissioning on turnkey basis of Pedapalem L.I.Scheme on Krishna River in Atchampeta Mandal of Guntur District including operation of the scheme for two years consisting of 900 mm dia PSC pipes of the value of ₹ 1,445.43 Lacs.
 14. From The Vice Chairman and Managing Director, APSIDC Department, Hyderabad, for Construction and Commissioning on turnkey basis of Chinthalapadu-2 Lift Irrigation Scheme on Krishna River in Chandralapadu Mandal of Krishna District including operation of the scheme for two years consisting of 1200 mm dia PSC pipes and 1600 mm dia RCC NP3 pipes of the value of ₹ 1,280.27 Lacs.
 15. In addition to the above we have secured 21 orders amounting to ₹ 6,048.11 Lacs of the value less than to ₹ 1,000 Lacs each at various locations in India.
- (B) Railway Sleepers:**
- During the year the Company has manufactured 16,128 sleepers amounting to ₹ 225.87 Lacs against the order received from Ministry of Railway Board, New Delhi.
- (C) Bar Wrapped Steel Cylinder (BWSC) Pipes / Prestressed Concrete Cylinder Pipes (PCCP)**
- The BWSC pipes / PCCP pipes introduced by the Company as an alternative pipe materials to M. S. and D.I. pipes has become popular amongst various Government authorities. The Company has undertaken / is undertaking several projects involving BWSC pipes. To meet the demand of BWSC pipes, the Company had specially set up manufacturing plants at Choutuppal and Chilamathur in Andhra Pradesh and Dhule in Maharashtra. These plants are running continuously with better productivity yields. In addition to the above we have also created facilities to manufacture these pipes in our existing factories at Vadgaon, Rajkot, Kanhan, Yelhanka and Thanjavur to cater the local demands. During the year under review, these plants produced 77.08 Kms of BWSC pipes valued at ₹ 4,715.55 Lacs.
- During the year the Company has received orders worth ₹ 6,297.59 Lacs for BWSC pipes and orders worth ₹ 254.47 Lacs for PCCP pipes along with other civil works.
- (D) National Rifle Division:**
- The Company is manufacturing 10 types of air rifles and air pistols which are marketed by reputed Distributors all over India. The demand for Air compressed Rifles and Compressed Air Pistols introduced by Company's National Rifle Division has increased as their performance has been found satisfactory. The shooters participating in shooting competitions have secured Gold and Silver Medals. They have appreciated performance of the Company's Compressed Air Pistol and commended the Company for bringing a quality product. Further Gujarat State Rifle Association along with Ahmedabad Military Training Association have jointly undertaken the task of installing shooting ranges in all schools across Gujarat State as per instruction of Gujarat Government. All the schools have been recommended to purchase 0.177 National-25 Air Rifles and Pneumatic Air rifle 0.177.



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4. Outlook:

During the last decade, Urban area limits are spreading wider and wider to peripheral areas, but at the same time, the basic amenities like Water Supply, Drainage, etc are not meeting the requirement of more and more urbanization. Apart from the above, most of the rural areas in India fall short of access to drinking water.

Government of India, State Governments and local bodies are making best efforts to supply safe drinking water. Hence number of water supply schemes are under anvil. Further to make cities and rural areas under more hygienic conditions, lot of sewerage disposals and drainage schemes are also coming up.

Considering the above factors, outlook for the Company in water supply, sewerage and drainage segments is encouraging and good.

5. Risks & Concerns:

The Company's activities and prospects largely depend on the implementation of various water supplies related projects undertaken by various States / Central Government Agencies. The Company is doing business with various State Governments and it depends upon their policy on approval of finance and allocation of funds as well as their ability to raise funds to undertake such water supply projects amongst various infrastructure related projects being implemented by them. Adverse changes and lack of funds delays the works resulting in higher cost and can also affect the business prospects of the Industry and the Company. Severe competition from the manufacturers of alternative pipes like Ductile Iron, Glassfibre Reinforced Plastic, PVC, H.D.PE. and Spirally Welded Steel pipes is existing and can affect Company's business prospects.

In the year under review, due to lack of demand, prices of key raw materials like H.T. wire, Cement and to some extent H.R. Coils remained stable. The Steel Mills have curtailed production schedules of steel thereby resulting into short supply in the market. At the same time, the transport charges have gone up thereby putting pressures on cost.

Volatility in the prices of key raw materials especially steel & steel long products such as H.T. wires, wire rods, TMT bars, girders, etc. and cement have become a major area of concern for your Company, except for the last year under review. The interest costs have also increased.

6. Internal Control Systems:

The Company has adequate internal control procedures commensurate with its size and nature of business that ensures control over various functions of the organisation. The internal control system provides for guidelines, authorisation and approval procedures.

The internal audit reports, post audit reviews are carried out to ensure compliance with the Company's policies and procedures.

7. Financial Performance with respect to Operational Performance:

For the year ended 31st March 2013, the adjusted turnover of the Company was ₹ 69,579.06 Lacs as compared to last year's adjusted turnover of ₹ 51,716.92 Lacs.

The profit before tax is ₹ 2,284.58 Lacs as against ₹ 1,592.36 Lacs achieved last year. The order book position is ₹ 1,56,135.00 Lacs as on 31st March, 2013 as compared to ₹ 1,44,573.00 Lacs in the corresponding period of last year.

8. Human Resources and Industrial Relations:

The Company has total strength of 1220 employees as on 31st March, 2013 working at various locations such as Factories / Projects / Head Office and Research & Development Division.

The management has successfully negotiated and settled the demands of workmen working at our factories at Chilamathur, Miraj, Patancheru, Yelhanka and R & D Division.

The Company had organized training programmes on Safety, Health & Fire Prevention at our factories at Yelhanka, Dhule, Karari, Vadgaon & H.O. Mumbai. Our Miraj factory has been honoured with trophy and certificate by Jr. Director, Industrial Safety & Health, Kolhapur for maintaining "Excellent industrial safety and environment in the factory premises.

Further we have also organised training programmes at H.O. on the topic 'Achieving Your Goals', 'Achieving Excellence at Work' for our employees at H.O. and R & D Division to improve their efficiency and to motivate them in achieving their individual goals.

We have also organised in-house workshop at our Karari and Vadgaon factories for fresh Engineers to apprise them of the manufacturing of quality PSC and BWSC pipes.

The industrial relations with the workmen working at various units of the Company were by and large remained peaceful and normal.

9. Corporate Social Responsibility:

In keeping with the noble and rich tradition of charity inculcated by our founder Late Seth Walchand Hirachand an Industrialist and a Legendary, Visionary and Philanthropist of his era, the Company had donated monies to Ratanchand Hirachand Foundation promoted and sponsored by the Promoters of the Company, for carrying out charitable activities such as Educational Grant to needy students and Institutions, Medical Aid to the patients as well as to the Hospitals / Charitable Trusts and donation of costly medical equipments to the Municipal Hospitals.

During the financial year under review, the Company had donated ₹ 50 Lacs to Ratanchand Hirachand Foundation, as a corpus donation.

During the year Ratanchand Hirachand Foundation had donated 3 Nos. Allengers HF - 49 C Arm machines with accessories to be used in Orthopaedic Department to Ramaiah Memorial Hospital, Bangalore, Mahavir Jain Hospital, Bangalore and Rajawadi General Municipal Hospital, Ghatkopar, Mumbai at a total cost of over Rs.28 Lacs for the benefit of general public especially weaker sections of the society. Further the Foundation is funding the salary of the nurse working in Human Milk Bank in LTMG Hospital, Sion, Mumbai.

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Allengers HF – 49C Arm Machine with accessories used in Orthopedic Department, Rajawadi General Municipal Hospital, Ghatkopar, Mumbai

The Ratanchand Hirachand Foundation had sponsored an eye camp in association with Pradhan Eye Hospital, Solapur for free cataract surgery with lens implant. They have successfully performed 112 nos. cataract surgeries with lens implant of eye surgeries (IOL operated under G.A.).



Eye camp in association with Pradhan Eye Hospital, Solapur sponsored by Ratanchand Hirachand Foundation

Further some part of the income earned out of the corpus donation made by the Company in the past as well as this year was applied for payment to Society for the Rehabilitation for the Crippled Children for purchase of Trademill and Exercise Cycle and to Kushtarog Niwaran Samiti towards “Help a Child Programme” for 100 students for Adivasi Ashram School at Shantivan, Panvel.

Similarly, the Ratanchand Hirachand Foundation has donated to:

- (a) CSED–The Central Society for the Education of the Deaf towards purchases of Hearing Aid.

- (b) Lokamanya Tilak Municipal and General Hospital, Sion Mumbai-400 022 towards purchase of Deep Freezer and Water Bath with Shaking Device for the use in Human Milk Bank.
- (c) Gandhi Smarak Nidhi, Mumbai towards remuneration of 2 teachers for one year.
- (d) Indian Heritage Society Mumbai, towards sponsorship for a small programme by visually challenged children.
- (e) Inner wheel club of Bombay, towards contribution for payment of salary of a teacher, for teaching to women.
- (f) SOS children’s Villages of India towards sponsorship for four family homes, consisting 8-10 children in each family.
- (g) SRCC-Citi Academy for Special Education Mumbai–Education Grant for two children.
- (h) Education Grant to two students, individually and
- (i) Medical aid to seven patients.

In all, Ratanchand Hirachand Foundation had donated ₹ 48,61,781/- towards charitable purposes during the financial year under review.

10. Cautionary Statement:

Statements in this Management Discussion and Analysis Report describing the Company’s objectives, projections, estimates and expectations may be ‘forward looking statements’ within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company’s operations include a schedule of implementation of various water supply related projects undertaken by various State / Central Government Agencies, significant changes in political and economic environment in India, exchange rate fluctuations, prices and availability of key raw materials like steel and cement, tax laws, litigation, labour relations and interest costs, etc.

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Dated : 29th May, 2013



DIRECTORS' REPORT

TO

THE MEMBERS,

Your Directors are pleased to present to you the Annual Report on the business operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2013.

FINANCIAL RESULTS:

	(₹ In Lacs)	
	Year Ended 31-3-2013	Year Ended 31-3-2012
Revenue from Operations	69579.06	51716.92
Profit Before Finance Cost, Depreciation & Amortisation & Tax	6617.55	5301.66
Less : Finance Costs	2536.68	2368.01
Depreciation & Amortisation	739.93	694.35
	3276.61	3062.36
Profit Before Tax	3340.94	2239.30
Less : Provision for Taxation	1056.36	646.94
Net Profit After Tax	2284.58	1592.36
Balance Brought Forward from last year	11253.47	10524.17
Surplus available for Appropriation	13538.05	12116.53
Less : Proposed Dividend	532.92	484.47
Tax on Dividend	90.57	78.59
General Reserve	1000.00	300.00
	1623.49	863.06
Surplus Carried to Balance Sheet	11914.56	11253.47

PERFORMANCE REVIEW :

Your Company's operations of its various projects under execution continued to be profitable, with continued efforts to reduce costs and improve yield as also bettering the productivity levels.

During the year under review, the revenue from operations has grown by 34.54% to ₹ 69,579.06 Lacs as compared to ₹ 51,716.92 Lacs of the previous year. The profit after tax for the year at ₹ 2,284.58 Lacs was higher by 43.47% as compared to ₹ 1,592.36 Lacs of the previous year.

DIVIDEND :

Your Directors are pleased to recommend a dividend of ₹ 2.20/- per share of ₹ 2/- each (110%) as against ₹ 2/- per share of ₹ 2/- each (100%) for the previous year; payable to those equity shareholders whose names stand registered in the books of your Company as on the book closure date.

The total equity dividend together with the dividend tax will absorb ₹ 623.49 Lacs.

FINANCE :

During the year under review, liquidity position of your Company was maintained satisfactorily and optimum utilisation of financial resources was achieved. Increase in the business volume necessitated increased borrowings. Further slow release of funds in few projects by the Project Authorities against the completed portion of the work at times, created strains on cash flows to some extent. However your Company endeavoured to resort to the cheaper sources of finances to control borrowing cost. As a consequence thereof, the Company could manage to keep effective cost of borrowings under control.

The Company has been prompt in meeting the obligations towards its bankers and other trade creditors.

INCOME TAX ASSESSMENT:

The Income Tax assessment of your Company has been completed till Assessment Year 2010-11. The Company's appeals against the assessment orders for various financial years are pending with the Appellate Authorities. The amount of disallowance involved in various appeals is ₹ 6,031.20 Lacs, on which adequate provision has been made in the accounts. The major dispute is with regard to the claim u/s 80IA of the Income Tax Act, 1961, in respect of execution of eligible infrastructure projects of water, sewerage and irrigation.

The Company's appeal for Assessment Year 2003-04, has been decided by the Income Tax Appellate Tribunal in its favour against which Income Tax Department has filed appeal in Honourable Bombay High Court and it is pending for adjudication. In view of retrospective amendment made by Finance Act, 2009 to Section 80IA of the Income Tax Act, 1961, your Company has made necessary provision in the accounts, as a matter of abundant caution, equivalent to the Income Tax refund received and interest payable thereon.

In respect of the re-opening of the assessment for the Assessment Year 2004-05, the Special Leave Petition (SLP) of the Company was pending in the Honourable Supreme Court of India for admission. The Supreme Court on hearing gave direction to CIT (Appeals). Accordingly, CIT(Appeals) has decided the matter partly in favour of the Company allowing claim of ₹ 16.44 Crores made u/s 54(EC) and the matter relating to valuation of Wadala land

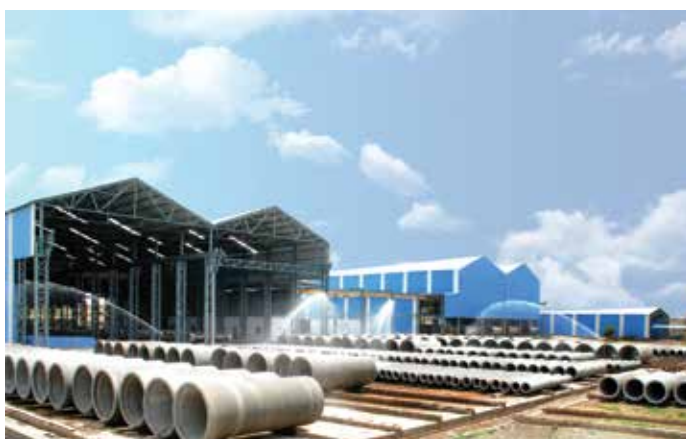
DIRECTORS' REPORT

amounting to ₹1.98 Crores was decided in favour of the Income Tax dept. The Company has preferred an appeal before Tribunal, Mumbai which is pending.

Further, the Income Tax appeals for Assessment Years 2009-10 & 2010-11 have been partly decided in favour of the Company by Commissioner of Income Tax (Appeals). Accordingly your Company has received relief of ₹ 70.60 Lacs which was earlier disallowed. However for the Assessment Year 2009-10, Income Tax Department has filed an appeal before Income Tax Appellate Tribunal, which is pending.

FACTORIES :

During the year under review, the Company has set up a new factory near Dhule, Maharashtra for manufacturing Prestressed Concrete pipes, Bar Wrapped Steel Cylinder pipes, Prestressed Concrete Cylinder pipes and Steel pipes at a total investment of ₹ 1,838 Lacs.



New factory near Dhule, Maharashtra

The total number of factories of the Company as at the end of period under report stand at 22.

CORPORATE GOVERNANCE :

The Company has implemented procedures and adopted practices in conformity with the code of Corporate Governance as provided in the amended Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has also implemented Code of Conduct for all its Non-Executive Directors and Executive Directors and Senior Management Personnel of the Company, who have affirmed compliance thereto. The said Codes of Conduct have been posted on the website of the Company. The Management Discussion and Analysis Report and Corporate Governance Report, appearing elsewhere in this Annual Report forms part of the Directors' Report. A certificate from the Statutory Auditors of the Company certifying the compliance of conditions of Corporate Governance is also annexed thereto.

PUBLIC DEPOSITS AND LOANS/ADVANCES:

An aggregate amount of ₹ 1.95 Lacs representing 13 fixed deposits had matured but remained unclaimed as at 31st March, 2013 pending instructions from the depositors concerned. Since then no instructions for repayment of matured fixed deposits have been received.

The Company has no loans / advances and investments in its own shares by listed Companies, their subsidiaries, associates etc. as required to be disclosed in the annual accounts of the companies pursuant to Clause 32 of the Listing Agreement.

Further, in conformity with the aforesaid Clause, the Cash Flow Statement for the year ended 31st March, 2013 is annexed hereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to foregoing matters, wherever applicable, is given by way of an Annexure and forms part of this report.

A. Conservation of Energy :

Effective control measures/systems to conserve energy are already in force at Company's establishments. Consciousness of energy conservation is also cultivated among the employees to optimise the use of Electricity / Fuel etc.

Total energy consumption and energy consumption per unit as per Form A of Annexure to the Rules applicable to certain Industries specified in the schedule thereto :

Not Applicable.

B. Technology Absorption, Adaptation and Innovation:

The required information in the prescribed form under the Companies Act, 1956 in respect of technology absorption is given in the Annexure forming part of this report.

C. Foreign Exchange Outgo and Earnings:

The required information in respect of foreign exchange outgo and earnings have been given in the Note No. 2.42 and 2.43 respectively forming part of the Accounts for the Financial Year ended 31st March, 2013.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and Article 152 of the Articles of Association of the Company, Ms. Jyoti R. Doshi and Mr. Rajendra M. Gandhi, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Your Board of Directors have re-appointed Mr. Rajas R. Doshi as Chairman & Managing Director of the Company for a further period of five years with effect from 1st July, 2013 in view of his valuable contribution to the progress of the Company. The Board recommends to the Shareholders the Special Resolution under item No.6 of the Notice of this Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby confirm that:

1. in the preparation of the Annual Accounts for the financial year ended 31st March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied them consistently and 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, 2013 and of the profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and



DIRECTORS' REPORT

4. the Annual Accounts for the financial year ended 31st March, 2013 have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES :

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Report and Accounts are being sent to the Shareholders excluding the aforesaid information. Any Shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

AUDITORS :

M/s. K. S. Aiyar & Co., Chartered Accountants retires as auditors of the Company and have given their consent for re-appointment.

As required under Section 224 (1B) of the Companies Act, 1956, the Company has obtained a written certificate from M/s. K. S. Aiyar & Co. Statutory Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

You are requested to re-appoint the retiring Statutory Auditors of the Company for the financial year 2013-14.

BRANCH AUDITORS :

M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, retires as Branch Auditors of the Company and have given their consent for re-appointment.

You are requested to re-appoint M/s. Brahmayya & Co., Chartered Accountants as Branch Auditors u/s 228 of the Companies Act, 1956, to carry out Branch Audit, Limited Review and Tax Audit of the Company's Factories, Projects and Project Offices in the State of Andhra Pradesh for the financial year 2013-14 and also authorise Board of Directors to appoint Branch Auditors in other States.

COST AUDITOR :

In terms of the Order No.52/26/CAB-2010 dated 6th November, 2012, the Board has appointed Mr. V. V. Deodhar, Cost Accountant as Cost Auditor u/s 233 (B) of the Companies Act, 1956 for carrying out (i) audit of cost accounts of the Company relating to "Steel" and "Cement" products manufactured by the Company for the financial year 2013-14 and (ii) issuance of Cost Compliance Report required under The Companies (Cost Accounting Records) Rules, 2011 for the year ending 31st March, 2014.

As required under the provision of Section 224(1B) of the Companies Act, 1956, the Company has obtained a written certificate from the Cost Auditor to the effect that the appointment, if made, would be in conformity with the limits specified in the said Section.

INDUSTRIAL RELATIONS :

The Company is having total strength of 1220 employees as on 31st March, 2013 working at various locations such as Factories / Projects / Head Office and Research & Development Department, Mumbai.

Industrial relations with the workmen at various units of the Company were by and large remained peaceful and cordial.

ACKNOWLEDGEMENTS :

Your Directors record their gratitude to the Shareholders, Customers, Bankers, Government Departments, Vendors and Sub-contractors for their continued support and co-operation during the year.

Your Directors also wish to place on record their appreciation of the services rendered by the employees of the Company.

Wishing you all good health, wealth and prosperity.

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Registered Office:

Construction House, 2nd floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001

Date : 29th May, 2013

ANNEXURE TO DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

(A) RESEARCH AND DEVELOPMENT (R & D)

The Company has separate Research and Development Division situated in Mumbai, which is recognized by the Ministry of Science & Technology, Department of Scientific and Industrial Research, Government of India, New Delhi.

(1) Specific areas in which R&D carried out by the Company are the following :

- New Product Development
- Import Substitution
- Technology Upgradation
- Evaluation of Alternate Raw-materials
- Designing and Improving manufacturing process and quality of products
- Improvement of Designs of Plant and Machinery

(2) Benefits derived as a result of the above R&D :

Research and Development provide valuable support to the business through innovation of new products and process, which are transferred to the factories / project works.

(3) Future Plan of Action :

The Company endeavors to continue research on areas set out in (1) above :

(4) Expenditure on R&D :

The total expenditure on Research & Development during the year was ₹ 256.75 Lacs (0.37% of the turnover) as compared to ₹ 236.66 Lacs (0.46% of the turnover) of previous year.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1) Erection of PSC / BWSC / PCCP Pipe plant has been completed at Dhule in Maharashtra. We have started manufacturing of PSC / BWSC / PCCP Pipes and the plant has capacity to manufacture the pipes up to 2500 mm dia PSC Pipes.
- 2) Incorporated a pneumatic control system in 1250 ltr Mixer for opening and closing of door for heavy duty mixer.
- 3) In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished.

- | | | |
|--|---|-----|
| (a) Technology imported | } | NIL |
| (b) Year of Import | | |
| (c) Has technology been fully absorbed | | |
| (d) If not fully absorbed, areas which this has not taken place, reasons therefore and future plans of action. | | |

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Date : 29th May, 2013



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY:

The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long term shareholders value and interest of all its stakeholders. Efficient conduct of its business through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the Company.

Good corporate governance has always been an integral part of the Company's business philosophy. The Company attaches significant importance to issues of Corporate Governance and has always focused on good corporate governance. Your Company has consistently made efforts in ensuring transparency, accountability and responsibility in dealing with its employees, stakeholders, customers and the community at large.

Your Company fundamentally believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements. Your Company has systems and procedures in place to ensure that it remains fully compliant with all mandated regulations. The stipulations mandated by Clause 49 on the mandatory requirements of the Listing Agreement have been fully complied.

I. BOARD OF DIRECTORS:

The Company has Executive Chairman, Executive Director and the number of Independent Directors are half of the total strength of the Board of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The management of the Company is entrusted in the hands of the Key Management Personnel of the Company and is headed by the Chairman & Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long term objectives of the organisation are achieved successfully.

Mr. Rajas R. Doshi, Chairman & Managing Director of the Company, Ms. Jyoti R. Doshi, Director and Mr. Mayur R. Doshi, Executive Director are related and belong to the Company's promoter group.

Ms. Anima B. Kapadia, Non-Executive Director of the Company, is a sole proprietor of M/s. Daphtary Ferreira & Divan, Solicitors & Advocates, one of the Solicitors & Advocates of the Company.

The Constitution of the Board is as under:

Directors	Category	Total number of Committee Memberships of Public Companies +	Total number of Chairmanships of Committees of Public Companies +	Total number of Directorships of Public Companies *
Executive				
Mr. Rajas R. Doshi, Chairman & Managing Director	Promoter	5	1	4
Mr. Mayur R. Doshi, Executive Director	Promoter	Nil	Nil	2
Non-Executive				
Mr. Ajit Gulabchand	Independent	4	1	15
Ms. Jyoti R. Doshi	Promoter	Nil	Nil	2
Mr. Rajendra M. Gandhi	Independent	1	1	1
Mr. Rameshwar D. Sarda	Independent	1	Nil	2
Mr. N. Balakrishnan	Independent	1	Nil	1
Ms. Anima B. Kapadia	Non-Independent	2	1	3
Mr. Vijay Kumar Jatia	Independent	2	Nil	6
Mr. P. D. Kelkar	Non-Independent	1	Nil	2

+ Committees considered are Audit Committee and Shareholders' / Investors' Grievance Committee, including The Indian Hume Pipe Co. Ltd.

* Excludes Directorships in Private Limited Companies, Foreign Companies, Section 25 Companies and Alternate Directorships.

Mr. P. D. Kelkar is the other Non-Executive Director of the Company.

All other Directors are Non-Executive Independent Directors of the Company.

Apart from the above and apart from the reimbursement of expenses incurred in the discharge of their duties, the sitting fees that these Directors would be entitled to as fixed by the Board under the Companies Act, 1956 as Non-Executive Directors, the commission they may receive @ 1% of net profits for the financial year or an amount not exceeding ₹ 24 Lacs per financial year in aggregate whichever is less for a period of 3 years commencing from the financial year 2012-13 to 2014-15, the remuneration that the Director may receive for professional services as a Legal Advisor and the dividend on the shares owned by them, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates, its Holding Company which in their judgment would affect their independence.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them, the Company and its Promoters, which could have potential conflict of interest with the Company at large.

A. Composition of Board

The Company presently has ten Directors and out of which three Directors belong to Promoter Group and out of which one is the Chairman & Managing Director and one is Executive Director. There are five Independent Non-Executive Directors and professionals with expertise and experience in general corporate management, finance, insurance, construction and other allied fields and two Directors are Non-Independent Non-Executive Directors with one having about 36 years experience as a Solicitor & Lawyer and other in water supply project management and other civil engineering field.

The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the companies in which he/she is Director.

CORPORATE GOVERNANCE REPORT

B. Board Procedure

A detailed Agenda folder is sent to each Director in advance of Board and Committee meetings, to enable the Board to discharge its responsibilities effectively. The Managing Director briefs the Board at every meeting on the overall performance of the Company.

The following information is regularly provided to the Board as part of the agenda papers:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other committees of the Board.
- The information on recruitment and remuneration of Senior Officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
- Any issue, which involves possible public or product liability, claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Transactions pertaining to purchase / disposal of fixed assets/ properties of the Company.
- Major accounting provisions and write-offs and write back.
- Review of major legal issues.
- Significant labour problems and their proposed solutions. Any significant developments in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, assets, which is not in the normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliances.

C. Number of Board Meetings, attendance record of the Directors at Meetings of the Board and at the last Annual General Meeting.

Four Board meetings were held during the period from 1st April, 2012 to 31st March, 2013 on the following dates :

- 28th May, 2012
- 25th July, 2012
- 1st November, 2012
- 30th January, 2013

The Eighty Sixth Annual General Meeting was held on 25th July, 2012.

The Attendance of the Directors at these meetings is as under:

Director	No. of Board Meetings Attended	Attendance at the AGM
Mr. Rajas R. Doshi	4	Yes
Mr. Ajit Gulabchand	1	Yes
Ms. Jyoti R. Doshi	4	Yes
Mr. Rajendra M. Gandhi	4	Yes
Mr. Rameshwar D. Sarda	2	No
Mr. N. Balakrishnan	4	Yes
Ms. Anima B. Kapadia	3	Yes
Mr. Vijay Kumar Jatia	4	Yes
Mr. P. D. Kelkar	4	Yes
Mr. Mayur R. Doshi	4	Yes

D. Directors seeking re-appointment

Ms. Jyoti R. Doshi and Mr. Rajendra M. Gandhi, Directors retire by rotation and being eligible have offered themselves for re-appointment. Mr. Rajas R. Doshi, Chairman & Managing Director is being re-appointed as Managing Director and designated as Chairman & Managing Director for a further period of 5 years from 1st July, 2013 to 30th June, 2018. The resume of the Directors seeking appointment / re-appointment are given in the Annual Report.

II. Remuneration to Directors

A. Remuneration to Non-Executive Directors for the year ended 31st March, 2013.

Non-Executive Directors are paid sitting fee of ₹ 10,000/- for every meeting of the Board or of Committee attended by them.

In the Annual General Meeting held on 25th July, 2012, the members had approved payment of commission, not exceeding 1% of the net profits of the Company or an amount not exceeding ₹ 24 Lacs in aggregate, whichever is less, per financial year, to Non-Executive Directors for a period of 3 years commencing from the financial year 2012-13.

The Board of Directors at its meeting held on 29th May, 2013, has decided to pay equal commission to all Non-executive Directors for the financial year 2012-13.

The remuneration paid / payable to Non-Executive Directors for the year ended 31st March, 2013 is as under :

Director	Board	Committee	Commission*	Total
Mr. Ajit Gulabchand	10,000	--	3,00,000	3,10,000
Ms. Jyoti R. Doshi	40,000	--	3,00,000	3,40,000
Mr. Rajendra M. Gandhi	40,000	60,000	3,00,000	4,00,000
Mr. Rameshwar D. Sarda	20,000	20,000	3,00,000	3,40,000
Mr. N. Balakrishnan	40,000	30,000	3,00,000	3,70,000
Ms. Anima B. Kapadia	30,000	20,000	3,00,000	3,50,000
Mr. Vijay Kumar Jatia	40,000	60,000	3,00,000	4,00,000
Mr. P. D. Kelkar	40,000	10,000	3,00,000	3,50,000
Total :	2,60,000	2,00,000	24,00,000	28,60,000

* Provision has been made in accounts for the year 2012-13.



CORPORATE GOVERNANCE REPORT

B. (i) Remuneration to the Managing Director for the year ended 31st March, 2013.

Remuneration payable to the Managing Director for the period of 5 years w.e.f.1st July, 2008 to 30th June, 2013 had been fixed by the Remuneration Committee and thereafter approved by the Board at their meeting held on 28th May, 2008 and Shareholders at the Annual General Meeting held on 30th July, 2008.

(ii) Remuneration to the Executive Director for the year ended 31st March, 2013.

Remuneration payable to the Executive Director w.e.f.28th May, 2012 to 31st March, 2013 had been fixed by the Remuneration Committee and thereafter approved by the Board at their meeting held on 28th May, 2012 and Shareholders at the Annual General Meeting held on 25th July, 2012.

Following is the remuneration paid to the Managing Director for the year ended 31st March, 2013 and to the Executive Director w.e.f. 28th May, 2012 to 31st March, 2013:

Directors	Salary, Perquisites and Allowances* (₹)	Company's contribution to funds* (₹)	Commission* (₹)	Total* (₹)	Contract Period
Mr. Rajas R. Doshi Chairman & Managing Director	1,21,11,530.41	18,83,250.00	25,45,751.10	1,65,40,531.51	5 years with effect from 01-07-2008 to 30-06-2013
Mr. Mayur R. Doshi Executive Director	43,81,211.44	5,46,967.42	27,91,497.92	77,19,676.78	With effect from 28 th May, 2012 to 31 st March, 2016

* Provision has been made in the accounts for the year 2012-13.

Note:

1. Service Contract in case of Chairman & Managing Director is five years and in case of Executive Director is w.e.f. 28th May, 2012 to 31st March, 2016 and Notice period applicable to Managing Director and Executive Director is six months.
2. The above remuneration to the Managing Director and Executive Director is recommended by the Remuneration Committee and approved by the Board.
3. Commission proposed is payable to the Chairman & Managing Director and Executive Director after the Audited Accounts are adopted by the Members of the Company at the ensuing Annual General Meeting.
4. Company has not issued stock options.

III. COMMITTEES OF BOARD

A. Audit Committee

The Audit Committee was constituted by the Board of Directors at its meeting held on 25th October, 2001 and presently it comprises of Mr. Rajendra M. Gandhi, Mr. Rameshwar D. Sarda and Mr. Vijay Kumar Jatia as members and all being Independent Non-Executive Directors.

Mr. Rajendra M. Gandhi is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of this Committee is in line with Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956.

Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company.

It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to review the remuneration payable to the Statutory Auditors and to recommend a change in Auditors, if felt necessary. It is also empowered to review Financial Statements, Management Discussion & Analysis Report and material individual transactions with related parties not in normal course of business

or which are not at an arm's length basis. Generally all items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

Four committee meetings were held during the year from 1st April, 2012 to 31st March, 2013 on the following dates:

- 28th May, 2012
- 1st November, 2012
- 25th July, 2012
- 30th January, 2013

The attendance of the Members at these meetings is as under:

Sr. No.	Members	Meetings Attended
1	Mr. Rajendra M. Gandhi	4
2	Mr. Rameshwar D. Sarda	2
3	Mr. Vijay Kumar Jatia	4

The meetings of the Audit Committee were also attended by the Chairman & Managing Director, Executive Director, Operating Executives, Company Secretary, Controller of Accounts & Finance, Chief Internal Auditor, Statutory Auditor and Cost Auditor.

B. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee was constituted by the Board of Directors at its meeting held on 25th October, 2001 and presently it comprises of Ms. Anima B. Kapadia, Mr. Rajas R. Doshi, Mr. Ajit Gulabchand, Mr. N. Balakrishnan and Mr. P. D. Kelkar.

CORPORATE GOVERNANCE REPORT

Mr. S. M. Mandke, Company Secretary is the Compliance Officer.

Ms. Anima B. Kapadia is the Chairperson of the Committee.

The Committee meets as and when required, to deal with matters relating to transfers/ transmissions of shares and monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of annual reports, dividends declared, etc.

During the year one Committee meeting was held on 1st November, 2012. The attendance at the meeting was as under:

Sr. No.	Members	Meeting Attended
1.	Ms. Anima B. Kapadia	Yes
2.	Mr. Rajas R. Doshi	Yes
3.	Mr. N. Balakrishnan	Yes
4.	Mr. Ajit Gulabchand	No
5.	Mr. P. D. Kelkar	Yes

Share transfers are approved twice in a month by the Chairman & Managing Director / Executive Director up to 30th September, 2012. From 1st October, 2012 the timeline for registering transfer of shares from the date of lodgement has been reduce from 30 days to 15 days as per SEBI Circular dated 5th July, 2012, hence the share transfers are now approved weekly by the Chairman & Managing Director and Executive Director.

During the year, 17 complaints were received from the shareholders, all of which were attended to/resolved to date.

As on 31st March, 2013, there were no pending share transfers pertaining to the year under review.

C. Remuneration Committee

The role of the Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director / Executive Director and remuneration and perquisites of relative of a Director in the employment of the Company. During the course of its review, the Committee also decides on the Commission and/or other incentives payable, taking into account the individual's performance as well as that of the Company.

The Remuneration Committee was constituted on 25th October, 2001 and presently it comprises of Mr. N. Balakrishnan, Mr. Vijay Kumar Jatia and Mr. Rajendra M. Gandhi, Non-Executive Independent Directors and Ms. Anima Kapadia, Non-Executive Director.

Mr. N. Balakrishnan is the Chairman of the Committee.

During the year two Committee meetings were held on 28th May, 2012 and 30th January, 2013. The attendance at the meeting was as under :

Sr. No.	Members	Meetings Attended
1.	Mr. N. Balakrishnan	2
2.	Ms. Anima B. Kapadia	1
3.	Mr. Vijay Kumar Jatia	2
4.	Mr. Rajendra M. Gandhi	2

Remuneration Policy

While deciding on the remuneration for Directors, the Board and Remuneration Committee considers the performance of the Company, the current trends in the industry, the qualification of the appointee(s),

their experience, past performance and other relevant factors. The Board / Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

IV. DISCLOSURES

A. Related Party Transactions

During the financial year 2012-13, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, relatives, etc. that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in note No.2.32 to Annual Accounts of the Annual Report.

B. Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

C. Risk Management Frame Work

The Company has laid down procedures to inform Board members about the risk assessment and mitigation procedures. These procedures will be periodically reviewed and further improvement/s, if any, suggested by the Management will be implemented.

D. Code of Conduct

The Board of Directors had laid down two separate categories of Code of Conduct, one for the Executive Directors & Senior Management Personnel and the other for Non-Executive Directors. Copies of the two Codes of Conduct are available on the website of the Company: www.indianhumepipe.com. All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by Mr. Rajas R. Doshi, Chairman & Managing Director is given in this report.

E. Code for Prevention of Insider-Trading

In compliance with SEBI's regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for prevention of Insider Trading for its Directors and Designated Employees and their dependents. The Code lays down guidelines, which regulates Trading Window period, seeks disclosures of annual holdings and prohibits dealing in shares of the Company during the closure of Trading Window, besides compliance with other related matters.

F. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and the Controller of Accounts & Finance of the Company have issued a certificate to the Board of Directors, for the year ended 31st March, 2013.

V. SHAREHOLDER INFORMATION

(i) Annual General Meeting

The Eighty Seventh Annual General Meeting of the Company will be held on Thursday, 25th July, 2013 at 4.00 p.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, Churchgate, Mumbai - 400 020 to transact such business as stated in the Notice of the Meeting.



CORPORATE GOVERNANCE REPORT

(ii) Financial Calendar

Financial year: 1st April to 31st March.

Reporting of Unaudited Financial Results with Limited Review for quarter ended :

June, 2013 - by 14th August, 2013.

September, 2013 - by 14th November, 2013.

December, 2013 - by 14th February, 2014.

Audited financial results for the year ended 31st March, 2014 - by end of May, 2014.

AGM for the year ended 31st March, 2014 - by end of July, 2014.

Note : The above dates are indicative.

(iii) Book Closure

Friday, 12th July, 2013 to Thursday, 25th July, 2013 (both days inclusive).

(iv) Dividend Payment Date

On or after Tuesday, 30th July, 2013.

(v) Listing of Equity Shares on Stock Exchanges

1. BSE Limited
2. National Stock Exchange of India Limited

The Company has paid the Listing Fees to BSE Limited and National Stock Exchange of India Limited.

(vi) Stock Codes :

BSE Limited (BSE)	504741
National Stock Exchange of India Ltd. (NSE)	INDIANHUME
Demat International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares	INE 323C01030

(vii) Stock Market price data:

High/low prices during each month in last financial year on BSE Limited and National Stock Exchange of India Limited.

Month	BSE Limited		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	112	96	112	85
May 2012	115	92	110	92
June 2012	113	97	114	98
July 2012	124	105	125	105
August 2012	112	104	112	104
September 2012	117	100	116	99
October 2012	128	104	123	105
November 2012	134	108	141	105
December 2012	137	112	138	112
January 2013	147	120	146	118
February 2013	130	103	129	104
March 2013	112	86	114	94

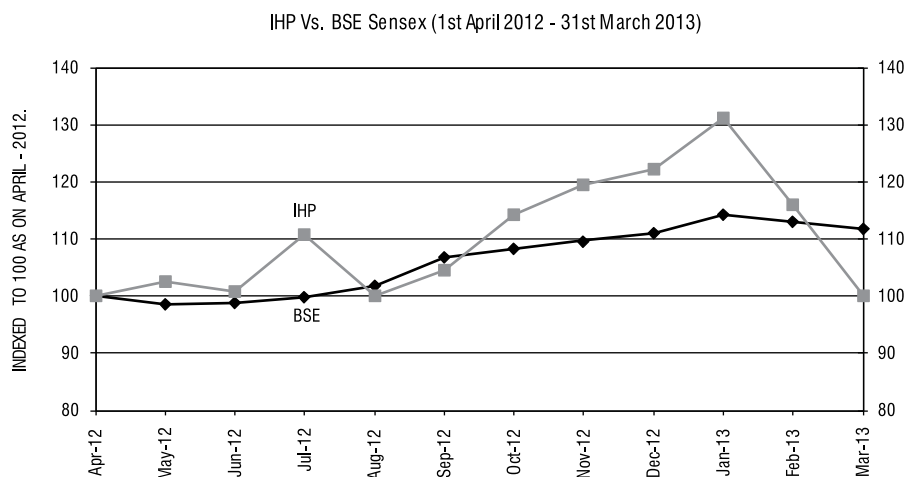
(viii) Stock Performance in comparison to BSE Sensex

Month	BSE Sensex				IHP Price (₹)			
	Open	High	Low	Close	Open	High	Low	Close
April 2012	17430	17664	17010	17319	106	112	96	102
May 2012	17371	17432	15810	16219	105	115	92	105
June 2012	16217	17448	15749	17430	105	113	97	107
July 2012	17439	17631	16598	17236	112	124	105	110
August 2012	17244	17973	17027	17430	110	112	104	105
September 2012	17466	18870	17251	18763	106	117	100	109
October 2012	18785	19137	18393	18505	104	128	104	112
November 2012	18488	19373	18256	19340	112	134	108	111
December 2012	19343	19612	19149	19427	112	137	112	137
January 2013	19513	20204	19509	19895	143	147	120	125
February 2013	19907	19967	18794	18862	125	130	103	105
March 2013	18877	19755	18568	18836	105	112	86	96

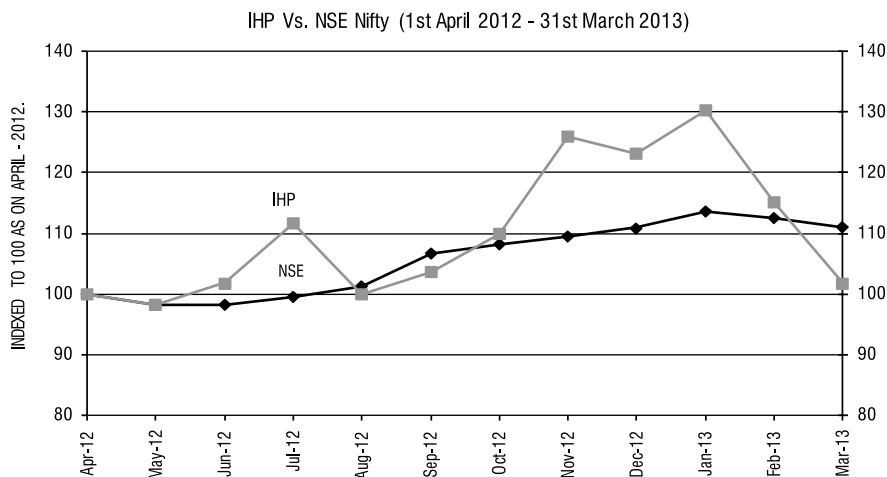
CORPORATE GOVERNANCE REPORT

(ix) Performance in comparison to the BSE Sensex & NSE Nifty:

The following charts show the performance of price of Company's Shares as compared to the BSE Sensex & NSE Nifty during the year 2012-13.



BSE Sensex and IHP Shares Prices are indexed to 100 at the beginning of April, 2012.



NSE Nifty and IHP Shares Prices are indexed to 100 at the beginning of April, 2012

(x) Shareholding pattern as on 31st March, 2013

Sr. No.	Description	Number of Shares	% to paid-up capital
1	Promoters	1,69,37,385	69.92
2	Directors & Relatives	72,195	0.30
3	Public Financial Institutions	415	-
4	Banks	42,190	0.17
5	Non Resident Indians / Non-resident	48,101	0.20
6	Bodies Corporate	8,51,235	3.51
7	Public	62,72,064	25.89
	TOTAL	2,42,23,585	100.00



CORPORATE GOVERNANCE REPORT

(xi) Distribution of shareholding as on 31st March, 2013

Shares Held	No. of Shareholders	% to Shareholders	No. of Shares	% to paid-up capital
Up to – 500	10,430	84.41	14,47,976	5.98
501 – 1000	889	7.19	7,03,738	2.91
1001 - 2000	503	4.07	7,36,911	3.04
2001 – 3000	217	1.76	5,37,050	2.22
3001 – 4000	74	0.60	2,61,123	1.08
4001 – 5000	82	0.66	3,78,372	1.56
5001 – 10000	109	0.88	7,92,934	3.27
10001 - and above	52	0.42	1,93,65,481	79.94
TOTAL	12,356	100.00	2,42,23,585	100.00

(xii) Promoters Group

1.	IHP Finvest Ltd.
2.	Ratanchand Investment Pvt. Ltd.
3.	Mr. Rajas R. Doshi *
4.	Ms. Jyoti R. Doshi
5.	Mr. Aditya R. Doshi
6.	Mr. Mayur R. Doshi

* Includes shares held under HUF and under Trust.

(xiii) Dematerialization of Shares and Liquidity as on 31st March, 2013.

Physical Form	: 3.56%
Dematerialised Form	: 96.44%

Trading in equity shares of the Company is permitted in dematerialized form only as mandated by Securities and Exchange Board of India.

(xiv) Registrar and Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.
Unit: The Indian Hume Pipe Company Limited.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai - 400 078.
Tel. No. 022-25946970-78
Fax No. 022-25946969
E-mail: rnt.helpdesk@linkintime.co.in

(xv) Share Transfer System

All the transfers received in physical form are processed by the Registrar and Share Transfer Agent of the Company and approved by the Managing Director / Executive Director of the Company, twice a month up to 30th September, 2012. From 1st October, 2012 the timeline for registering transfer of shares from the date of lodgement has been reduced from 30 days to 15 days as per SEBI Circular dated 5th July, 2012, hence the share transfers are approved weekly by the Chairman & Managing Director and Executive Director and reports to the Board of Directors.

(xvi) Outstanding ADRs / GDRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity.

The Company has not issued any ADRs / GDRs / Warrants or any convertible instruments.

(xvii) Plant Locations

The total number of factories of the Company are 22.

(xviii) Address for correspondence

Mr. S. M. Mandke - Company Secretary
Construction House, 2nd floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001
Tel. : 022-22618091 / 22618092 / 40748181
Fax : 022-22656863
E-mail : investorsgrievances@indianhumepipe.com /
shares@indianhumepipe.com

VI. OTHER DISCLOSURES

- The Annual General Meetings of the Company during the previous 3 years were held at Walchand Hirachand Hall, 4th floor, Indian Merchants Chamber Building, Churchgate, Mumbai - 400 020.

The date and time of the Annual General Meetings and the special resolutions passed there at are as follows:

Year	Date	Time	Special Resolutions
2009-10	29-07-2010	4.00 p.m.	Sub-division of Equity Shares of the Company of the face value of ₹ 10/- each into 5 Equity Shares of the face value of ₹ 2/- each.
2010-11	27-07-2011	4.00 p.m.	A. (i) Revision in monthly remuneration and perquisites of Mr. Mayur R. Doshi, General Manager of the Company w.e.f.1 st November, 2010. (ii) Annual efficiency Incentive and special efficiency incentive to be paid to Mr. Mayur R. Doshi, General Manager of the Company for the financial year 2009-10. (iii) Annual Efficiency Incentive and Special Efficiency Incentive to be paid to Mr. Mayur R. Doshi, General Manager of the Company for the financial year 2010-11.

CORPORATE GOVERNANCE REPORT

Year	Date	Time	Special Resolutions
			B. Revision of pay scales (on time scale basis) new salary and perquisites scales of monthly remuneration (salary & perquisites) of Mr. Mayur R. Doshi, General Manager of the Company w.e.f.1 st May, 2011.
2011-12	25-07-2012	4.00 p.m.	<p>(i) Appointment of Mr. Mayur R. Doshi as Executive Director w.e.f.28th May, 2012 to 31st March, 2016.</p> <p>(ii) Payment of remuneration to Mr. Rajas R. Doshi, Chairman & Managing Director for the financial year 2011-12 and for the remainder of his term up to 30th June, 2013 in the event of inadequate profits or loss during the said financial years.</p> <p>(iii) Waiver of excess managerial remuneration of ₹ 68,99,977.03 out of the total managerial remuneration (excluding profit commission) of ₹ 1,19,76,121.50 paid to Mr. Rajas R. Doshi, Chairman & Managing Director of the Company for the financial year from 1st April, 2011 to 31st March, 2012 which is in excess of the limits prescribed in Sections 198, 309 read with Schedule XIII of the Companies Act, 1956.</p> <p>(iv) Payment of Commission to Non Executive Directors.</p>

No special resolution was passed through postal ballot during 2012-13. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

2. Details of non-compliance etc.

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

3. Means of Communication

The quarterly, half yearly & yearly results are published in The Economic Times and Maharashtra Times which are national and local dailies. The Company results and official news releases are displayed on the Company's website <http://www.indianhumepipe.com>.

4. Management Discussion & Analysis Report

The Management Discussion & Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

5. Compliance with mandatory & non-mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

Further, the Company has adopted the following non-mandatory requirements of the Clause:

- The Company has set up the Remuneration Committee.
- Although the Company does not have any Whistle Blower Policy, any employee, if he / she desires, have free access to meet Audit Committee/senior management and report any matter of concern.



CORPORATE GOVERNANCE REPORT

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of The Indian Hume Pipe Co. Ltd.

I, Rajas R. Doshi, Chairman & Managing Director of The Indian Hume Pipe Co. Ltd., declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct.

Rajas R. Doshi
Chairman & Managing Director

Place : Mumbai
Date : 29th May, 2013

Auditors' Certificate on Corporate Governance

To
The Members of
The Indian Hume Pipe Company Limited
Mumbai – 400001

We have examined the compliance of conditions of Corporate Governance by The Indian Hume Pipe Co. Ltd. for the financial year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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 the 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 the above mentioned Listing Agreement.

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

For K. S. Aiyar & Co.
Chartered Accountants
Registration No.100186W

Raghuvir M. Aiyar
Partner
Membership No.38128

Place : Mumbai
Date : 29th May, 2013

Auditors' Report

To the Members of

The Indian Hume Pipe Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Indian Hume Pipe Company Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with in this report;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e) on the basis of the written representations received from the directors, as on March 31, 2013, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2013 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Place : Mumbai
Date : 29th May, 2013

Raghuvir M. Aiyar
Partner
Membership No.: 38128



ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2013, of The Indian Hume Pipe Company Limited)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Fixed assets have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.
- (c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (f) & (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v)(a) According to the information and explanations given to us, there were no contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b) is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of sections 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Fringe Benefit Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty, Excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period to which the amount relates	Due date	Date of payment
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	1.10	2011-12	30/04/2012	29/05/2013

- (b) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Fringe Benefit Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess which have not been deposited on account of any dispute other than those detailed below:

(₹ in lacs)

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending		
			Commissionerate/ Dy. Commissionerate	Appellate Tribunal Authorities	High Court
Sales Tax / VAT	Tax /Penalty/ Interest	1980-81	-	-	1.09
		1986-87	-	-	1.78
		1989-90	-	25.31	75.15
		1990-91	-	35.70	66.84
		1991-92	-	31.31	15.09

ANNEXURE TO AUDITORS' REPORT

(₹ in lacs)

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending		
			Commissionerate/ Dy. Commissionerate	Appellate Tribunal Authorities	High Court
		1992-93	-	15.40	90.82
		1993-94	-	14.39	88.83
		1994-95	-	34.74	70.16
		1995-96	-	72.49	157.94
		1996-97	-	-	78.15
		1997-98	-	-	66.46
		1998-99	-	-	59.30
		1999-00	-	-	5.81
		2000-01	-	-	85.30
		2001-02	-	-	197.15
		2002-03	-	-	164.61
		2003-04	-	70.56	120.63
		2004-05	-	-	76.93
		2005-06	5.08	-	41.56
		2006-07	1.38	-	42.96
		2007-08	0.25	-	-
		2008-09	0.14	-	-
		2009-10	9.27	-	-
		2010-11	12.08	-	-
		2011-12	10.25	-	-
		2012-13	10.90	-	-
Central Excise Act, 1944	Duty, Interest and Penalty on Valuation/ Classification/ Tariff	1978-79	1.06	-	-
		1981-82	0.37	-	-
		1982-83	0.11	-	-
		1985-86	0.06	-	-
		1990-91	-	1.73	-
		1991-92	0.57	0.80	-
		1992-93	0.15	-	-
		1993-94	-	0.35	-
		1994-95	7.01	3.10	-
		1995-96	0.59	1.61	-
		1996-97	0.53	-	-
		1997-98	0.71	-	-
		1998-99	0.80	-	-
		1999-00	0.51	-	-
		2000-01	1.25	-	-
		2004-05	11.89	8.44	-
		2005-06	-	4.80	-
		2006-07	-	5.40	211.53
		2007-08	-	0.71	-
		2008-09	38.59	439.34	-
		2009-10	-	0.74	-
		2010-11	5.96	136.85	-
		2011-12	-	14.48	-
Service Tax	Tax / Penalty / Interest	2008-09	-	1.80	-
		2009-10	87.64	3.06	-
		2010-11	2.40	6.27	-



ANNEXURE TO AUDITORS' REPORT

- (x) The Company does not have any accumulated losses as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that
- no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) There are no debentures issued by the Company during the year and therefore the requirement of creation of security or charge is not applicable.
- (xx) The Company has not raised any money during the year by public issue.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K. S. Aiyar & Co,
Chartered Accountants
Registration No: 100186W

Place : Mumbai
Date : 29th May, 2013

Raghuvir M. Aiyar
Partner
Membership No.: 38128

BALANCE SHEET AS AT 31ST MARCH, 2013

		₹ in lacs	
	Note	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2.1	484.47	484.47
Reserves and surplus	2.2	23221.65	21560.56
		<u>23706.12</u>	<u>22045.03</u>
Non-Current Liabilities			
Deferred tax liabilities (Net)	2.3	114.50	0.50
Other long-term liabilities	2.4	2308.58	2477.35
Long-term provisions	2.5	167.15	130.33
		<u>2590.23</u>	<u>2608.18</u>
Current Liabilities			
Short-term borrowings	2.6	17637.37	14851.04
Trade payables	2.7	14837.84	11942.27
Other current liabilities	2.8	15508.88	15854.22
Short-term provisions	2.9	944.33	903.95
		<u>48928.42</u>	<u>43551.48</u>
TOTAL		<u><u>75224.77</u></u>	<u><u>68204.69</u></u>
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	2.10	7948.43	6891.04
Intangible assets	2.10	34.83	20.20
Capital work-in-progress	2.10	76.80	474.73
		<u>8060.06</u>	<u>7385.97</u>
Non-current investments	2.11	178.12	151.99
Long-term loans and advances	2.12	843.65	695.06
Other non-current assets	2.13	2329.75	2085.73
		<u>3351.52</u>	<u>2932.78</u>
Current Assets			
Inventories	2.14	31527.87	29203.97
Trade receivables	2.15	16315.78	13864.09
Cash and bank balances	2.16	2122.44	2664.49
Short-term loans and advances	2.17	13819.59	12094.60
Other current assets	2.18	27.51	58.79
		<u>63813.19</u>	<u>57885.94</u>
TOTAL		<u><u>75224.77</u></u>	<u><u>68204.69</u></u>
Accompanying Significant Accounting Policies and Notes form integral part of the Financial Statements	1 & 2		

As per our Report of even date

For K. S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai, 29th May, 2013

For and on behalf of the Board

RAJAS R. DOSHI

Chairman & Managing Director

AJIT GULABCHAND
JYOTI R. DOSHI
RAJENDRA M. GANDHI
RAMESHWAR D. SARDA
N. BALAKRISHNAN
ANIMA B. KAPADIA
VIJAY KUMAR JATIA
P. D. KELKAR

} Directors

MAYUR R. DOSHI

Executive Director

S. M. MANDKE
Mumbai, 29th May, 2013

Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	For the Year 2012-13	For the Year 2011-12
₹ in lacs			
INCOME			
Revenue from operations	2.19	69579.06	51716.92
Other income	2.20	520.20	855.55
Total Revenue		70099.26	52572.47
EXPENSES			
Cost of materials consumed	2.21	9111.38	7848.15
Changes in inventories of finished goods and Work in Progress	2.22	229.92	(195.50)
Construction expenses	2.23	43768.60	30893.86
Manufacturing and other expenses	2.24	767.41	768.52
Employee benefits expenses	2.25	3904.45	3563.10
Excise duty and taxes	2.26	3037.94	3013.89
Finance Costs	2.27	2536.68	2368.01
Depreciation and amortization expenses	2.28	739.93	694.35
Other expenses	2.29	2662.01	2263.37
Total expenses		66758.32	51217.75
Profit before extraordinary items and tax		3340.94	1354.72
Extraordinary Items	2.30	—	884.58
Profit before tax		3340.94	2239.30
Tax expenses			
Current tax		942.36	527.64
Deferred tax		114.00	119.30
		1056.36	646.94
Profit for the year		2284.58	1592.36
Earnings per equity share			
Nominal value per share ₹ 2/- (Previous Year ₹ 2/-)			
(1) Basic and Diluted (including extraordinary items)		9.43	6.57
(2) Basic and Diluted (excluding extraordinary items)		9.43	3.66
Accompanying Significant Accounting Policies and Notes form integral part of the Financial Statements	1 & 2		

As per our Report of even date

For K. S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai, 29th May, 2013

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Executive Director

S. M. MANDKE

Company Secretary

Mumbai, 29th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	₹ in lacs	
	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	3340.94	2239.30
Adjusted for		
Rent against fixed assets & Lease Rentals	-	0.02
Depreciation and amortisation expenses	739.93	694.35
Interest Expenses	2216.55	2130.33
Bad Debts Written off	64.69	20.54
Interest Income	(72.23)	(119.26)
Dividend Income	(3.59)	(16.55)
Profit on sale of fixed Assets/Investments	(310.41)	(540.56)
Operating profit before working capital changes	<u>5975.88</u>	<u>4408.17</u>
Adjusted for		
Trade and Other Receivables	(4352.23)	(3663.05)
Inventories	(2323.90)	2315.25
Trade and other Payables	2420.36	562.35
	<u>(4255.77)</u>	<u>(785.45)</u>
Cash Generated from Operations	1720.11	3622.72
Direct Taxes Paid	(1302.70)	(1208.07)
Net Cash from Operating Activities	<u>417.41</u>	<u>2414.65</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1422.12)	(982.42)
Sale of Fixed Assets	317.43	659.72
Sale of Investments	976.51	6866.78
Purchase of Investments	(1001.56)	(6874.76)
Interest Received	103.51	77.73
Dividend Received	3.59	16.55
Net Cash flow from Investing Activities	<u>(1022.64)</u>	<u>(236.40)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	5033.94	11711.85
Repayment of Short Term Borrowings	(2241.65)	(12486.05)
Dividends paid	(484.47)	(484.47)
Interest paid	(2244.65)	(2141.04)
Net Cash used in Financing Activities	<u>63.17</u>	<u>(3399.71)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(542.06)</u>	<u>(1221.46)</u>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	2664.50	3885.96
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	<u>2122.44</u>	<u>2664.50</u>
	<u>(542.06)</u>	<u>(1221.46)</u>
Accompanying Significant Accounting Policies and Notes form integral part of the Financial Statements	1 & 2	

As per our Report of even date

For K. S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai, 29th May, 2013

For and on behalf of the Board

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} Directors

MAYUR R. DOSHI
S. M. MANDKE

Executive Director
Company Secretary

Mumbai, 29th May, 2013



1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Method of Accounting

The Financial Statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting standards ("AS") notified under the Companies (Accounting Standards) Rules, 2006 (as amended) to the extent applicable and with the relevant provisions of the Companies Act, 1956.

1.2 Management Estimates

The Financial Statements are prepared in conformity with generally accepted accounting principles and applicable accounting standards, which may require management to make estimates and assumptions. These may affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting periods.

1.3 Revenue Recognition

A. Work Bills

Construction Contract Accounting & Contract-Work-in-Progress

- a. Sales/Work Bills (Gross) represent running Bills raised against Value of the Work done either to the extent certified and paid for by Contractees or on completed works as per (d) below:
- b. Advances against Work in Progress received from Contractees are presented as a reduction from the Contract Work in Progress.
- c. Trade Receivables include work bills, work and other retentions receivable.
- d. Revenue arising from construction contracts is recognised in proportion to the stage of completion of work at the end of the accounting period in accordance with Accounting Standard-7 (revised): Accounting for Construction Contracts.
- e. The Percentage of Completion is applied by calculating the proportion that contract revenue to date bears to the total contract value and adjustments are made to include only those costs that reflect work performed.
- f. Contract-Work-in-Progress includes inventories against contracts at Factory, Laying Sites and Civil Works and represents the value of the work done not certified or not paid for by Contractees and are valued at Contract Price or at Proportionate Contract Price based on the equivalent stage of completion as estimated by Management inclusive of relevant excise duty.
- g. Provision is made for future losses and estimated costs of post-works maintenance and warranties as per contractual terms.
- h. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. The changes in estimates are reflected in the financial statements in the period in which changes are made.

B. Sales (Other than Construction Contracts)

- a. Sales of Goods - mainly consist of sale of manufactured pipes/sleepers and sale of Air Rifles, Air Pistols and Accessories and Parts and Technical Know-how.
- b. Revenue from such sales is recognised on dispatches of goods from the factory.
- c. Sales are inclusive of excise duty.

1.4 Claims

Expenditure incurred in respect of additional costs/delays on contracts are accounted for in the year in which these are incurred. Claims made in respect thereof are accounted as income in the year of acceptances by the clients or evidence of acceptance received from the clients.

1.5 Export/Deemed Export Benefits

Cash compensatory support or export/deemed export related benefits on the works executed/under execution are accounted on confirmation/acceptance of such claims by relevant authorities and approved for payment.

1.6 Accounting for Joint Venture Contracts

For Contracts executed in Joint Venture, since there is no deployment of common resources, share of revenue is accounted on the basis similar to those adopted for contracts independently executed by the company.

1.7 Fixed Assets - Tangible and Intangible Assets and Capital Work-in -Progress

- a. Fixed Assets are stated at cost including CENVAT wherever applicable, less accumulated depreciation and amortisation provision for impairment of losses, if any.
- b. Self constructed/manufactured assets are capitalised at cost including appropriate overheads.
- c. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

SIGNIFICANT ACCOUNTING POLICIES

- d. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and provision for impairment of losses, if any.

1.8 Depreciation and amortization

Depreciation on the assets is provided on Written Down Value Method on pro-rata basis as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Individual low cost assets (acquired for ₹ 5000/- or less) are depreciated fully in the year of acquisition. Intangible assets are amortized over their respective individual estimated useful lives on a straight- line basis commencing from the date the assets are available to the Company for its use.

1.9 Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

1.10 Research and Development

Revenue expenses on research and development are charged to Statement of Profit & Loss and Capital Expenditure are included in fixed assets under relevant assets and depreciated on the same basis as other fixed assets.

1.11 Investments

Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are carried at the lower of cost and fair value.

1.12 Foreign Exchange Translation and Accounting of Foreign Exchange Transactions

- a) Foreign exchange transactions are converted into Indian rupees at the prevailing rate on the date of the transaction.
- b) Gains or losses arising out of remittance/translations at the year-end are credited/ debited to the Statement of Profit and Loss for the year except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- c) Monetary assets and liabilities are translated at the exchange rate prevailing on the last day of the year.

1.13 Inventories: Stock in Trade & Work-in-Progress

- a. The stock of raw materials, stores, bought outs and fuel are valued at cost on FIFO basis or net realisable value whichever is lower.
- b. Certain items of Pipe Laying and Auxiliary Equipments are classified as Current Assets and 95% of their original cost is amortised equally over a period of five years.
- c. Finished Goods including bought-out items not allocated to any particular contracts are valued at lower of cost on absorption method (inclusive of relevant estimated excise duty) or net realisable value.
- d. Goods-in-process are valued at contract rates or cost whichever is lower.
- e. Products of the National Rifle Division at Vatva are valued as follows:
 - i) The Stock of Raw Materials, Stores, Bought outs and fuel are stated at cost on FIFO basis or net realisable value whichever is lower.
 - ii) Finished goods are valued at lower of cost or net realisable value and are inclusive of relevant estimated excise duty.

1.14 Employees Benefits

i) Defined Contribution Plan

- a. Company's Contribution paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are charged to Revenue. There are no other obligations other than the contribution payable to the respective trusts.
- b. **Provident Fund:** The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees salary. The contributions as specified under law paid to provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on government specified minimum rates of return of provident fund and recognises such contributions and shortfall, if any, as an expense in the year incurred.

ii) Defined Benefit Plan

- a. **Provident Fund :** In respect of certain employees covered by the Employees Provident Fund, the contributions towards shortfall in interest rate payable as per statute and the earnings of the Provident Fund Trust is considered as Defined Benefit Plan and debited to Statement of Profit and Loss.



SIGNIFICANT ACCOUNTING POLICIES

- b. **Gratuity and leave encashment:** Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past Services are recognised on a Straight Line basis over the average period until the amended benefits becomes vested. Actuarial gain and losses are recognised immediately in the statement of Profit & Loss as Income or Expense. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.
- iii) **Other Benefits :** Compensated absences for sick leave are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

1.15 Taxation

Income Tax expenses comprise of current tax, deferred tax charge/credit. Current Tax is recognised on the basis of taxable income determined in accordance with the provision of the Income Tax Act, 1961.

The deferred tax credit/charge is recognised on all timing differences subject to consideration of prudence, applying the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year and available case law to re-assess realisation/liabilities.

1.16 Leases

Lease rentals in respect of assets acquired under operating lease are charged to Revenue.

1.17 Earning per Share

In determining operating and total earnings per share, the Company considers the operating net profit after tax and effect of any extra ordinary items (net of tax). The number of shares used in the computing basic earning per share is the weighted average number of shares outstanding during the period.

1.18 Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

Contingent liabilities are disclosed after careful evaluation of the facts and legal aspects of matter involved.

Contingent assets are neither recognised nor disclosed.

2- NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
2.1 SHARE CAPITAL		
Authorised Capital		
5,00,00,000 (5,00,00,000) Equity Shares of ₹ 2/- each.	1000.00	1000.00
Issued,Subscribed and Paid-up		
2,42,23,585 (2,42,23,585) Equity Shares of ₹ 2/- each fully paid-up.	484.47	484.47
Of the above:		
(i) 1,93,47,285 (1,93,47,285) equity shares fully paid-up have been issued as bonus shares by capitalisation of general reserves		
(ii) 18,75,000 (18,75,000) equity shares fully paid-up have been issued by part conversion of 13.5% debentures as per terms on 01-10-1993		
(iii) 1,59,67,080 (1,59,67,080) equity shares are held by holding company- IHP Finvest Ltd.		
(iv) 4,36,160 (4,36,160) equity shares are held by ultimate holding Company- Ratanchand Investment Pvt Ltd.		
a) Reconciliation of number of shares :		
There was no movement in the number and value of equity shares during the year		
b) Terms / rights attached to shares:		
The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.		
The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.		
c) Details of shares held by shareholders holding more than 5% of aggregate shares in the Company.		

Name of the Shareholder	As at March 31, 2013		As at March 31, 2012	
	No of Shares	% held	No of Shares	% held
IHP Finvest Ltd	1,59,67,080	65.92	1,59,67,080	65.92



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
2.2 RESERVES AND SURPLUS		
a) General Reserve - Opening balance	10307.09	10007.09
Add: Transferred from Surplus	1000.00	300.00
	11307.09	10307.09
b) Surplus- Opening Balance	11253.47	10524.17
Add: Net profit after tax transferred from Statement of Profit and Loss	2284.58	1592.36
Amount available for Appropriation	13538.05	12116.53
Less: Appropriations		
Proposed Dividend	532.92	484.47
Tax on Proposed Dividend	90.57	78.59
General Reserve	1000.00	300.00
	1623.49	863.06
Surplus - Closing Balance	11914.56	11253.47
TOTAL	23221.65	21560.56

2.3 DEFERRED TAX ASSETS AND LIABILITIES (NET)

Deferred tax liability for the year ended 31st March 2013 has been provided on the estimated tax computation for the year.

Major components of deferred tax assets and liabilities arising on account of timing differences are:

Deferred tax liabilities		
Depreciation	417.12	272.94
Deferred tax assets		
Provision for doubtful debts and advances	5.75	5.49
Disallowances under Income Tax Act, 1961	296.87	266.95
TOTAL	114.50	0.50

Deferred tax assets and deferred tax liabilities have been offset as they relate to same governing taxation laws.

2.4 OTHER LONG TERM LIABILITIES

Income Tax provision for earlier years Including Interest (80IA)	770.47	708.00
Advances/Deposits from Contractees	83.36	77.39
Others	1454.75	1691.96
TOTAL	2308.58	2477.35

2.5 LONG TERM PROVISIONS

Provision for employee benefits		
For Compensated Absences	167.15	130.33
TOTAL	167.15	130.33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
2.6 SHORT TERM BORROWINGS		
I Secured Loans		
A) Cash Credit/Working Capital Demand Loans From Banks		
i) State Bank of India	–	169.45
ii) State Bank of Hyderabad	722.56	610.54
iii) Bank of Baroda	2194.28	1165.08
iv) Corporation Bank	1109.98	761.53
v) HDFC Bank	1610.55	572.25
	5637.37	3278.85
B) Short term loan from State Bank of India	10000.00	7500.00
<p>All the above facilities are secured by hypothecation of stock in trade, work in progress and trade receivables current and future on pari passu basis with the consortium banks and by a second charge on the Company's freehold land, building and plant & machinery carrying rate of interest @ Base Rate +2.50% to 4.50% p.a. for item A and for B it is 10.22% to 10.75% p.a.</p> <p>Loans under (A) above are payable on Demand and that under (B) above is for a period of 180 days from the date of availment.</p>		
II Unsecured Loans		
A) Short-term loans and advances from banks		
i) State Bank of Hyderabad	–	2000.00
ii) Bank of Nova Scotia	2000.00	2000.00
	2000.00	4000.00
<p>All the above loans are payable within 30 to 90 days carrying interest @ 10.40% p.a.</p>		
B) Fixed Deposits	–	72.19
<p>Fixed Deposits carry interest @ 8.50% p.a. to 10.75% p.a. having a maturity period of 3 years.</p>		
TOTAL	17637.37	14851.04
2.7 TRADE PAYABLES		
Trade Payables		
(a) Due to micro, small & medium enterprises	5.13	–
(b) Due to other than micro, small & medium enterprises	14832.71	11942.27
TOTAL	14837.84	11942.27



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
2.8 OTHER CURRENT LIABILITIES		
Employee benefits payable	518.90	511.41
Interest accrued and not due on borrowings	70.63	98.73
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
a) Unpaid dividends	33.43	30.08
b) Unclaimed matured deposits	1.95	8.43
	35.38	38.51
Security deposits and other retentions	177.26	141.06
Advances/Deposits from Contractees	5302.35	6179.64
Withholding and other taxes payable	179.62	246.95
Current account :Directors (Max balance ₹ 1.48 lacs previous year ₹ 0.14 lacs)	1.48	0.14
Other Liabilities	9223.26	8637.78
TOTAL	15508.88	15854.22

Note : Other liabilities include ₹ 1.99 lacs towards unclaimed amount of preference shares redeemed and ₹ 0.55 lacs towards unclaimed proceeds from sale of fractional shares issued pursuant to the bonus issue made by the Company in the year 2005-06.

2.9 SHORT TERM PROVISIONS

Provision for employee benefits		
Provision for gratuity	92.66	103.54
Provision for compensated absence	216.22	224.96
Proposed dividend	532.92	484.47
Provision for tax on proposed dividend	90.57	78.59
Provision for Wealth Tax	10.60	11.03
Provision for Fringe Benefit Tax	135.50	135.50
Less: Advance Payment of Fringe Benefit Tax	134.14	134.14
	1.36	1.36
TOTAL	944.33	903.95

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2.10 FIXED ASSETS

₹ in Lacs

Sr No	DISCRIPTION	GROSS BLOCK (at book value)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 01/04/2012	Additions	Deductions / Adjustment	As at 31/03/2013	As at 01/04/2012	Adjustment / Deductions	For the Year	As at 31/03/2013	As at 31/03/2013	As at 31/03/2012
	A) Tangible Assets										
1	Free hold Land	1575.40	87.36	–	1662.76	–	–	–	–	1662.76	1575.40
2	Lease hold Land	0.08	–	–	0.08	–	–	–	–	0.08	0.08
3	Buildings	5010.51	918.97	3.39	5926.09	1737.51	2.79	300.43	2035.15	3890.94	3272.99
4	Plant, Machinery and Equipment	5006.77	704.54	31.49	5679.82	3247.97	28.61	350.02	3569.38	2110.45	1758.80
5	Furniture and Fixtures	108.42	4.39	0.21	112.60	82.06	0.20	7.22	89.08	23.52	26.36
6	Vehicles	755.80	71.71	27.08	800.44	532.87	22.94	68.31	578.24	222.20	222.94
7	Office Equipment	87.12	9.45	2.88	93.70	52.66	2.40	4.96	55.22	38.48	34.46
	Total Tangible Assets	12544.11	1796.43	65.05	14275.48	5653.07	56.95	730.94	6327.07	7948.43	6891.04
	B) Intangible Assets										
1	Computer Software	23.75	23.62	–	47.37	3.56	–	8.98	12.54	34.82	20.19
2	Patents	3.45	–	–	3.45	3.44	–	–	3.44	0.01	0.01
	Total Intangible Assets	27.20	23.62	–	50.81	7.00	–	8.98	15.98	34.83	20.20
	Grand Total	12571.31	1820.04	65.05	14326.30	5660.07	56.95	739.93	6343.05	7983.26	–
	Total of previous year	12357.94	517.12	303.75	12571.31	5147.27	181.56	694.35	5660.07	–	6911.24
	Capital Work in Progress (including Advances)									76.80	474.73
	Total									8060.06	7385.97



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2.11 INVESTMENTS

(₹ In Lacs)

Sr. No.	PARTICULARS	NOS.		FACE VAUE EACH	As at 31st March, 2013			As at 31st March, 2012		
					COST OR BOOK VALUE (UNQUOTED)	COST OR BOOK VALUE (QUOTED)	MARKET VALUE	COST OR BOOK VALUE (UNQUOTED)	COST OR BOOK VALUE (QUOTED)	MARKET VALUE
		2013	2012							
NON - CURRENT INVESTMENTS										
A.	LONG TERM INVESTMENTS									
	TRADE INVESTMENT :									
	IN CO-OPERATIVE SOCIETIES :									
	- Mohan Small Scale Industries Co-operative Society Limited Equity Shares(Fully Paid)	1	1	1000	0.01	-	-	0.01	-	-
	- Adinath Co-operative Housing Society Limited Equity Shares(Fully Paid)	20	20	50	0.01	-	-	0.01	-	-
	- Shushrusha Citizens' Co-operative Hospital Ltd. Equity Shares (Fully Paid)	100	100	100	0.10	-	-	0.10	-	-
	- Hind Co.Operative Housing Society Ltd. Equity Shares (Fully Paid)	5	5	50	-	-	-	-	-	-
	- Kalptaru ResidencyCo.Operative Housing Society Ltd. Equity Shares (Fully Paid)	10	10	50	0.01	-	-	0.01	-	-
	- Las Palmas Co.Operative Housing Society Ltd. Equity Shares (Fully Paid)	10	10	50	0.01	-	-	0.01	-	-
	- Godrej Properties Ltd Tower 2 "AQUA" Equity Shares (Fully Paid)	10	10	50	0.01	-	-	0.01	-	-
	- Ashok Kumar Towers Co-operative Housing Society Ltd Equity Shares (Fully Paid)	5	5	50	-	-	-	-	-	-
	- Dosti Jupiter Co-op Housing Society Ltd Equity Shares (Fully Paid)	20	-	50	0.01	-	-	-	-	-
	OTHERS :									
	IN GOVERNMENT SECURITIES :									
	G. P. Notes				0.08	-	-	0.08	-	-
	Post Office Savings Certificates				0.02	-	-	0.02	-	-
	IN SHARES,DEBENTURES AND BONDS:									
	IN EQUITY /PREFERANCE SHARES (Fully Paid)									
	- Kapole Co-Operative Bank Ltd.	2000	2000	10	0.20	-	-	0.20	-	-
	- Hindustan Construction Co. Ltd.	320000	320000	1	-	9.92	44.00	-	9.92	82.24
	- Tata Consultancy Services Ltd	4000	4000	1	-	8.50	62.87	-	8.50	46.71
	- National Thermal Power Corporation Ltd	16759	16759	10	-	10.39	23.80	-	10.39	27.27
	IN CAPITAL TAX SAVINGS BONDS									
	- National Highways Authority Of India	950	450	10000	95.00	-	-	45.00	-	-
	IN EQUITY LINK MUTUAL FUNDS (At Cost)									
	UNITS OF MUTUAL FUNDS									
	- SBI Capital Protection Oriented Fund Series I				-	-	-	5.00	-	5.75
B.	REAL ESTATE- PMS									
	- HDFC AMC Ltd A/C REP				53.85	-	-	72.71	-	-
	TOTAL				149.31	28.81	130.67	123.18	28.81	161.97
					178.12			151.99		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
2.12 LONG TERM LOANS AND ADVANCES		
Unsecured considered good		
Capital advances	258.30	40.96
Security and other deposits	515.44	507.67
Advances recoverable in cash or kind	69.91	146.43
TOTAL	843.65	695.06
2.13 OTHER NON-CURRENT ASSETS		
Unsecured considered good		
Long term trade receivables	2304.28	2081.02
Others - Deposits with original maturity more than twelve months	25.47	4.71
TOTAL	2329.75	2085.73
2.14 INVENTORIES		
(As valued and certified by the Management)		
Raw Materials, Stores & Spares		
Raw Materials	1309.52	996.62
Stores and Spares (includes in Transit ₹ 1.05 lacs Previous Year ₹ 2.89 lacs)	1877.31	637.71
Loose Tools	161.26	169.56
	3348.09	1803.89
Stock in Trade & Work in Progress		
Finished Goods	841.31	807.23
Work in Progress	111.63	375.63
	952.94	1182.86
Contract Work in Progress		
Work in Progress: Value of Work Done at Contract Rates		
i) At Laying Site	26460.02	25507.50
ii) At Factory	801.35	1022.85
	27261.37	26530.35
Less: Progress Payments and Advances from contractees to the extent of value of work done	34.53	313.13
	27226.84	26217.22
TOTAL	31527.87	29203.97
2.15 TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	4190.04	3217.34
Others	12125.74	10646.75
Unsecured, considered doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	16.91	16.91
Others	—	—
Less: Provision for doubtful debts	16.91	16.91
TOTAL	16315.78	13864.09



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

Particulars	As at March 31, 2013	As at March 31, 2012
2.16 CASH AND BANK BALANCES		
Cash and Cash equivalents		
Cash on Hand	20.16	54.70
Cheques on Hand	994.17	1433.78
Balances with Banks in Current Accounts	870.60	646.05
Other Bank Balances		
- Deposits with original maturity less than twelve months	131.81	394.96
- Margin money deposits	72.12	101.00
- Unpaid dividend accounts	33.58	34.00
TOTAL	2122.44	2664.49
2.17 SHORT-TERM LOANS AND ADVANCES		
Unsecured - considered good		
Advances receivable in cash or kind		
Other loans and advances		
Advance Payment of Taxes	6267.22	6991.93
Less : Provision for Taxation	4833.41	5839.87
	1433.81	1152.06
Deposits with Excise Department	186.35	87.83
Security and Other Deposits	5931.43	5195.28
Others	6268.00	5659.43
TOTAL	13819.59	12094.60
2.18 OTHER CURRENT ASSETS		
Unsecured - considered good		
Interest Receivable		
Interest accrued on Deposits	27.51	55.42
Interest accrued on Investments	-	3.37
TOTAL	27.51	58.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	₹ in lacs	
	For the year 2012-13	For the year 2011-12
2.19 REVENUE FROM OPERATIONS		
Sales of products	6346.73	8075.72
Less: Excise Duty	<u>658.80</u>	<u>851.75</u>
	5687.93	7223.97
Contract Work Bills(Gross)	62421.99	47072.28
Add: Closing work in progress	27261.37	26530.36
Less: Opening work in progress	<u>26530.36</u>	<u>29818.93</u>
	63153.00	43783.71
Other Operating Income		
Miscellaneous Income	298.72	502.50
Liabilities written back to the extent no longer required	408.67	89.85
Sale of Scrap	<u>30.74</u>	<u>116.89</u>
	738.13	709.24
TOTAL	<u>69579.06</u>	<u>51716.92</u>
2.20 OTHER INCOME		
Dividend from long term investments	3.59	16.55
Interest Income	72.23	119.26
Profit on Sale of Investments (Net)	1.08	-
Profit on Sale of Fixed Assets	309.33	537.53
Interest received on compensation for Acquisition of land	-	42.18
Interest Received on Income Tax Refund	26.25	-
Miscellaneous Income	107.72	140.03
TOTAL	<u>520.20</u>	<u>855.55</u>
2.21 COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Inventory	996.62	1467.75
Add : Purchases	<u>8465.72</u>	<u>6553.55</u>
	9462.34	8021.30
Less: Inventory at the end of the year	<u>1309.52</u>	<u>996.62</u>
	8152.82	7024.68
Stores and Spares Consumed	958.56	823.47
TOTAL	<u>9111.38</u>	<u>7848.15</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	₹ in lacs	
	For the year 2012-13	For the year 2011-12
2.22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	841.31	807.23
Work-in-progress	111.63	375.63
Total A	952.94	1182.86
Stock at the beginning of the year		
Finished Goods	807.23	791.13
Work-in-progress	375.63	196.23
Total B	1182.86	987.36
TOTAL (B-A)	229.92	(195.50)
2.23 CONSTRUCTION EXPENSES		
Subcontracting Expenses	22078.77	24610.86
Consumption of Boughtout Items		
Opening Inventory	335.89	120.26
Add: Purchases	20716.40	5307.49
	21052.29	5427.75
Less: Inventory at the end of the year	1551.41	335.89
	19500.88	5091.86
Transport	2188.95	1191.14
TOTAL	43768.60	30893.86
2.24 MANUFACTURING AND OTHER EXPENSES		
Fabrication Charges	249.07	368.35
Lining and Outcoating Expenses	209.29	123.76
Power & Fuel	309.05	276.41
TOTAL	767.41	768.52
2.25 EMPLOYEE BENEFITS EXPENSES		
Salary,Wages,Bonus & Commission	3345.79	3060.21
Contribution to / Provision for Provident fund and Other Funds	424.39	404.23
Staff Welfare Expenses	134.27	98.66
TOTAL	3904.45	3563.10
For details of Employee benefits refer to Note no. 2.36.		
2.26 EXCISE DUTY AND TAXES		
Excise duty	416.63	335.43
Works contract tax	1624.86	2150.12
Other taxes	996.45	528.34
TOTAL	3037.94	3013.89

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	₹ in lacs	
	For the year 2012-13	For the year 2011-12
2.27 FINANCE COSTS		
Interest expenses		
On Short Term Loans	1615.89	901.86
On Fixed Deposits	1.85	14.86
On Cash Credits & Others	598.81	1213.61
On Tax Provision and interest	62.51	62.47
	2279.06	2192.80
Other borrowing costs	257.62	175.21
TOTAL	2536.68	2368.01
2.28 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Tangible assets	730.95	690.79
Amortisation on Intangible assets	8.98	3.56
TOTAL	739.93	694.35
2.29 OTHER EXPENSES		
a) Printing and Stationery	59.42	60.09
b) Communication Expenses	75.01	80.43
c) Travelling and Conveyance	501.16	469.36
d) Rent	389.82	300.95
Less: Recovery	37.38	38.77
	352.44	262.18
e) Rates and Taxes	30.52	29.65
f) Insurance	324.04	270.93
g) Repairs		
Machinery	95.09	72.06
Buildings	37.45	40.78
Others	124.98	105.50
	257.52	218.34
h) Legal and Professional Charges	159.85	218.74
i) Directors' Sitting Fees	4.60	5.20
j) Commission to Non Executive Directors	24.00	10.15
k) Payment to Auditors' (including Branch Auditors)		
As Auditor :		
Audit fees	17.64	17.47
Tax Audit Fees	3.55	3.55
Certification & Consultation fees	1.35	1.57
Cost Audit fees	3.00	3.27
Reimbursement of expenses	1.52	1.23
	27.06	27.09
l) Freight	55.66	42.43
m) Bad Debts and Advances Written Off	64.69	12.28
n) Donations	55.50	28.00
o) Loss on sale of investment (Net)	-	5.24
p) Miscellaneous Expenses	670.54	523.26
TOTAL	2662.01	2263.37
2.30 EXTRAORDINARY ITEMS		
Compensation on Acquisition of Land	-	760.73
Compensation received on Surrender of lease rights of land	-	123.85
TOTAL	-	884.58



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ in lacs	
Particulars	2012-13	2011-12	
2.31 Contingent liabilities and commitments (to the extent not provided for)			
1 Contingent Liabilities			
a) Guarantees given by the Banks	21942.51	17281.31	
b) Performance Corporate guarantees given by the Company to various contractees.	963.76	963.76	
c) Claims against the company not acknowledged as debts	120.59	120.59	
d) Sales Tax /VAT demand excluding those recoverable from customers for the years 1980-81 to 2012-13 under appeal.	537.84	568.20	
e) Demands raised by Excise department excluding interest, if any, leviable thereon.	1494.17	1649.72	
f) Service Tax demand excluding those recoverable from customers upto the Year 2012-13 under appeal.	10684.32	3576.68	
2 Capital Commitments			
Commitments for Capital Expenditure are estimated at	121.41	298.31	
3 Other Disclosures			
In respect of fraud at two factories reported earlier following is the position in the current year.			
a) Out of ₹ 17.39 lacs, ₹ 15.05 lacs has been recovered/ adjusted upto March, 2013. One of the parties has challenged the recovery/adjustments and the matter is sub-judice. The criminal complaints against the parties and ex-employees involved in the fraud are pending in the court and for balance amount legal action has been initiated.			
b) As reported earlier the misappropriated amount involved is ₹ 44.82 lacs to be recovered from ex-employee who has been convicted.			
For recovery of aforesaid amount, we have filed two civil suits: one against ex-employee and other is against the concerned Bank. The matter is under progress.			

2.32 Related party disclosures, as required by AS 18

A. Names of Related Parties & Nature of Relationship

i) Ratanchand Investment Pvt. Ltd.	:	Ultimate Holding Company
ii) IHP Finvest Ltd	:	Promoter Holding Company (Holding 65.92% in Equity)
iii) Mr. Rajas R. Doshi (Chairman & Managing Director)	:	Key Management Personnel
Mr. Mayur R. Doshi (Executive Director) (With effect from 28th May,2012.)	:	
iv) Mrs.Jyoti R. Doshi (Director)	:	Relatives of Key Management Personnel
Mr.Aditya R. Doshi	:	
v) Mobile Systems India Pvt. Ltd.	:	Companies in which control exists directly/ indirectly
Raj Jyoti Trading & Investment Pvt. Ltd.	:	
vi) Walchand Foundation	:	Other Related Parties
Ratanchand Foundation (Formed U/s 25 of the Companies Act, 1956)	:	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

B. Nature of Transactions

Following transactions were carried out during the year with the related parties in the ordinary course of business.

						₹ in lacs
Sr No.	Transactions	Ultimate Holding Company	Promoter Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Other Related Party
1	Dividend Paid	8.72 (8.72)	319.34 (319.34)	5.81 (4.09)	4.87 (6.59)	- (-)
2	Rent and Other Related Expenses	- (-)	131.03 (121.96)	- (-)	- (-)	- (-)
3	Sitting Fees	- (-)	- (-)	- (-)	0.40 (0.40)	- (-)
4	Commission to Non Executive Directors	- (-)	- (-)	- (-)	3.00 (1.27)	- (-)
5	Salary & Perquisites	- (-)	- (-)	- (-)	14.62 (22.45)	- (-)
6	Remuneration to C & M D	- (-)	- (-)	165.40 (119.76)	- (-)	- (-)
7	Remuneration to Executive Director	- (-)	- (-)	77.19 (-)	- (-)	- (-)
8	Amount outstanding payable as on 31.03.13	- (-)	2.96 (1.16)	54.84 (0.14)	2.70 (1.18)	- (-)
9	Donation	- (-)	- (-)	- (-)	- (-)	50.00 (25.00)

(Last year's figures are shown in brackets)

2.33 Research and Development Expenditure

Expenses on Research & Development during the year under various heads amount to ₹ 256.75 lacs (previous year ₹ 236.66 lacs)

2.34 Confirmations have not been received from some of the Debtors, Creditors and Depositors.

2.35 Segment Reporting

Segment Information for the year ended 31st March, 2013.

Information about Primary Segment

							₹ in lacs
Particulars	Business Segment						
	Construction contracts including water supply schemes, pipes supply & laying projects.		Others		Total		
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	
REVENUE							
External Revenue	68349.85	49587.60	491.08	1420.08	68840.93	51007.68	
RESULTS							
Segment results	8178.60	3950.99	54.18	64.09	8232.78	4015.08	
Unallocated Expenditure net of Unallocated income					(2741.39)	(965.69)	
Operating Profit					5491.39	3049.39	



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2.35 Segment Reporting (Contd.)

₹ in lacs

Particulars	Business Segment					
	Construction contracts including water supply schemes, pipes supply & laying projects.		Others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Interest Expenses					(2536.68)	(2368.01)
Interest/dividend income net of loss on sale of investment					75.82	135.81
Profit on sale of Fixed Assets & Investments					310.41	537.53
Taxation for the year (including deferred tax/provision for taxation & for earlier years)					(1056.36)	(646.94)
Profit after taxation but before extraordinary items					2284.58	707.78
Profit on sale of land					—	884.58
Net Profit					2284.58	1592.36
OTHER INFORMATION						
Segment Assets	70880.17	64510.84	640.98	868.92	71521.15	65379.76
Unallocated Corporate Assets					3703.62	2824.93
Total Assets					75224.77	68204.69
Segment Liabilities	30837.42	28474.00	211.78	294.03	31049.20	28768.03
Unallocated Corporate Liabilities					20469.45	17391.63
Total Liabilities					51518.65	46159.66
Capital Expenditure						
For Segment	1343.55	951.20	9.53	0.77	1353.08	951.97
For Corporate					69.03	30.45
Total Capital Expenditure					1422.11	982.42
Depreciation and amortisation expenses						
For Segment	630.10	576.62	11.05	13.83	641.15	590.45
For Corporate					98.78	103.90
Total Depreciation and amortisation expenses					739.93	694.35

NOTES:

1 BUSINESS SEGMENTS

The Company has considered "business segment" as the primary reporting segment for disclosure. The products included in each of the reported domestic business segments are as follows:

- Construction contracts including water supply schemes, pipes supply & laying projects.
- Others include Railway Sleepers, Air Rifles and Other Miscellaneous items.

Segment revenue relating to each of the above domestic business segment includes income from services provided, wherever applicable. The above business segments have been identified considering:

- The nature of products & service.
- The differing risks & returns.

2 There are no inter segment sales.

3 Since the Company does not have any significant business outside India there are no reportable geographic segments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2.36 Employee Benefits:

₹ in lacs

Defined Benefit Plans/Long Term compensated absences - As per Actuarial valuation as on 31.03.2013.	2012-13		2011-12	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I Expense recognised in the Statement of Profit & Loss for the year ended 31st March, 2013.				
1 Current Service Cost	47.83	81.31	49.95	74.99
2 Interest Cost	82.69	13.54	76.84	9.95
3 Employee Contributions	-	-	-	-
4 Expected return on plan assets	(92.19)	-	(79.77)	-
5 Actuarial (Gains)/Losses	62.40	(76.40)	53.60	(11.82)
6 Past Service Cost	-	-	-	-
7 Settlement Cost	-	-	-	-
Total Expenses	100.73	18.45	100.62	73.12
II Net Assets / (Liability) recognised in the balance sheet as at 31.03.2013.				
1 Present Value of Defined Benefit Obligation	1135.19	182.64	1033.62	147.46
2 Fair Value of Plan Assets	1051.12	-	939.72	-
3 Funded Status [Surplus/(Deficit)]	(84.07)	(182.64)	(93.90)	(174.37)
4 Net Asset/(Liability)	(84.07)	(182.64)	(93.90)	(174.37)
III Change in Obligation during the year ended March 31, 2013.				
1 Present value of Defined Benefit Obligation at the beginning of year	1033.62	174.37	960.53	147.46
2 Current Service Cost	47.83	81.31	49.95	74.99
3 Interest Cost	82.69	13.54	76.84	9.95
4 Settlement Cost	-	-	-	-
5 Past Service Cost	-	-	-	-
6 Employee Contributions	-	-	-	-
7 Actuarial (Gains) / Losses	62.40	(76.40)	53.60	(11.82)
8 Benefits Payment	(91.34)	(10.18)	(107.30)	(46.21)
9 Present value of Defined Benefit Obligation at the end of year	1135.20	182.64	1033.62	174.37
IV Change in Assets during the year ended March 31, 2013.				
1 Plan Assets at beginning of the year	939.72	-	742.63	-
2 Settlements	-	-	-	-
3 Expected return on Plan Assets	92.19	-	79.77	-
4 Contribution by Employers	110.56	10.18	224.62	46.21
5 Actual benefits paid	(91.35)	(10.18)	(107.30)	(46.21)
6 Actuarial Gains/(Losses)	-	-	-	-
7 Plan Assets at end of the year	1051.12	-	939.72	-
8 Actual return on plan assets	-	-	-	-
V Actuarial Assumptions				
1 Discount Rate	8.00%	8.00%	8.00%	8.00%
2 Expected Rate of Return on plan assets	9.40%	N.A.	9.40%	N.A.
3 Mortality Pre-retirement	(1994-96) LIC Ult	(1994-96) LIC Ult	(1994-96) LIC Ult	(1994-96) LIC Ult
4 Mortality Post-retirement	N.A.	N.A.	N.A.	N.A.
5 Turnover Rate	N.A.	1.00%	N.A.	1.00%
6 Medical Premium Inflation	N.A.	N.A.	N.A.	N.A.

VI Accumulated compensated absences (non vesting)

Actuarial valuation of sick leave has been made on 31-03-2013. Provision in respect of this benefit amounts to ₹ 6.74 lacs for the financial year ending 31-03-2013. (Previous year ₹ 13.86 lacs.)

Gratuity cost, as disclosed above, is included under Employee benefit expenses.

VII Provident Fund

The Company contributed ₹ 200.28 lacs towards Provident Fund during the year ended 31st March, 2013. (Previous year ₹ 187.08 lacs.)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2.37 Earnings Per Share (EPS)

		2012-13	2011-12
Number of shares		24223585	24223585
Profit after Tax before Extraordinary Items	₹ in Lacs	2284.58	885.78
EPS - Basic & Diluted	₹	9.43	3.66
Profit after Tax after Extraordinary Items	₹ in Lacs	2284.58	1592.36
EPS - Basic & Diluted	₹	9.43	6.57

2.38 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act 2006, as at 31st March, 2013. The disclosure pursuant to the said Act is as under:

	2012-13	2011-12
Principal amount due to suppliers under MSMED Act (₹. In lacs)	5.13	Nil
Interest accrued and due to suppliers under MSMED Act on the above amount	Nil	Nil
Payment made to suppliers (other than interest) beyond appointed day during the year.	Nil	Nil
Interest paid to suppliers under MSMED Act	Nil	Nil
Interest due and payable to suppliers under MSMED Act towards payments already made	Nil	Nil
Interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil

Note: The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

2.39 Raw Material under Broad Heads

Particulars	₹ in lacs	
	2012-13	2011-12
Consumption		
1 Construction Division		
i) Sand & Metal	957.05	666.36
ii) Cement	1945.65	1731.52
iii) Wire, Rods & HT Wire	2856.46	1968.43
iv) Steel Plates & Sheets*		
a) Company's own plates	1676.51	1356.93
b) Plates supplied by Parties (*Valued at agreed rates)	–	–
v) Other Raw Materials & Components	453.50	422.80
2 Sleepers		
i) Sand & Metal	21.08	89.94
ii) Cement	42.85	212.87
iii) Wire, Rods & HT Wire	66.92	295.06
iv) Other Raw Materials	52.12	258.76
3 Air Rifle Division		
i) Wood	24.53	7.66
ii) Seamless Steel Tubes	6.91	1.64
iii) Other Raw Materials	49.24	12.71
TOTAL	8152.82	7024.68

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

Particulars	2012-13		2011-12	
	Amount	%	Amount	%
2.40 Value of Raw Materials consumed				
Indigenous	7957.14	97.60	6916.51	98.46
Imported	195.68	2.40	108.17	1.54
TOTAL	8152.82	100.00	7024.68	100.00
Value of Stores & Spares consumed				
Indigenous	958.56	100.00	823.47	100.00
Imported	—	—	—	—
TOTAL	958.56	100.00	823.47	100.00

2.41 Value of Import on C I F Basis

Raw Materials 161.90 69.14

2.42 Expenditure in foreign currencies

Travelling & Other expenses 3.36 1.58

2.43 Earnings in Foreign Currencies

Export of goods calculated on F O B Basis Nil Nil

2.44 The Company has entered into Joint Ventures for executing various works. The details are as under:

Sr No	Name of the Joint Venture	Name of the Project	2012-13		2011-12	
			Company's Share (%)	Bank Guarantee Amount * ₹. in lacs.	Company's Share (%)	Bank Guarantee Amount * ₹. in lacs.
1	M/s.Koya & Company Construction Pvt. Ltd.,(JV),Hyderabad	Krishna PACKAGE-I.	24.00	Nil	24.00	Nil
2	M/s.Bhoorathnam Construction Co. (P) Ltd.	Krishna PACKAGE-II.	24.00	Nil	24.00	Nil
3	M/S The Indian Hume Pipe Co Ltd JV with Pochampad Cement Pipe Construction Ltd	Bellampally (Package I)	Nil	Nil	52.13	Nil
4	M/s.KCCPL-IHP-BRC-TAIPPL-KBL	Guthpa Lift Irrigation Scheme.	18.60	272.37	18.57	272.37
5	M/s.Nagarjuna Construction Co. Ltd.(JV) Hyderabad	Tadipudi Lift Irrigation Scheme.	48.68	Nil	48.68	Nil
6	M/s.TAIPPL-IHP-KCCPL-BRCPL (JV)	Krishna Drinking Water Supply Project Phase II (Package II).	24.00	Nil	17.46	Nil
7	M/s.IHP-KCCPL-BRCPL-TAIPPL (JV)	Krishna Drinking Water Supply Project Phase II (Package IV).	24.00	Nil	42.49	Nil
8	M/s.Shradha IHP Joint Venture	Padmalaya Lift Irrigation Scheme for Shree Padmalaya Sinchan Yojana of Taluka Erandole, Dist. Jalgaon.	20.00	Nil	20.00	Nil
9	M/s.Shradha IHP Joint Ventures	Wangana Lift Irrigation Schemes on Dhom, Taluka Koregaon, Dist. Satara.	30.00	Nil	30.00	Nil
10	NCC-MEIL-IHP (JV)	Warangal Municipal Corporation.	15.00	70.00	15.00	70.00
11	IHP-Vishva-MCC (JV)	South of Musi in S11 catchment Zone II under JNNURM Package II.	48.00	150.08	50.50	150.08
12	IHP-MEIL-KCCPL-BRCPL-TAIPPL (JV)	Somasila Reservoir - Package I.	28.00	Nil	28.00	187.18
13	IHP-FPL (JV)	Puliknama Lift Irrigation Scheme	86.00	1757.75	Nil	Nil
14	IHP-MEIL (JV)	Pulakurthi Lift Irrigation Scheme	80.00	362.53	Nil	Nil
15	IHP-Vishva (JV)	Krishna Drinking Water Supply Project Phase III (Package IV).	60.00	1643.70	Nil	Nil
16	KCCPL-SMC-IHP (JV)	Krishna Drinking Water Supply Project Phase III (Package I).	20.00	Nil	Nil	Nil
17	IHP-KP (JV)	Hussainsagar Lake Catchment Improvement Project (Package IV).	55.00	41.25	Nil	Nil

* Amount of Bank guarantee is included in 2.31 (1-a).



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 2.45** During the year, the Company has received from Government of Andhra Pradesh for Chilamathur factory, under Industrial Investment Promotion Policy ₹140.65 lacs towards reimbursement of sales tax for the year 2009-10 to 2011-12 and ₹10.38 lacs towards reimbursement of power cost for the year 2011-12 to 2012-13. These amounts have been included under the head " Other Operating Income".
- 2.46** In the opinion of the Board, none of the assets other than Fixed Assets and Non-Current Investments have a value on realisation in the ordinary course of business lower than at least equal to the amount at which they are stated.
- 2.47** Figures for Previous Year have been regrouped, wherever necessary.

As per our Report of even date

For K. S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai, 29th May, 2013

For and on behalf of the Board

RAJAS R. DOSHI

Chairman & Managing Director

AJIT GULABCHAND
JYOTI R. DOSHI
RAJENDRA M. GANDHI
RAMESHWAR D. SARDA
N. BALAKRISHNAN
ANIMA B. KAPADIA
VIJAY KUMAR JATIA
P. D. KELKAR

} Directors

MAYUR R. DOSHI

Executive Director

S. M. MANDKE

Company Secretary

Mumbai, 29th May, 2013

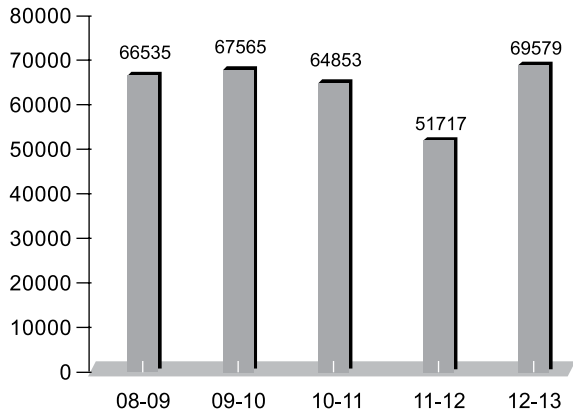
IMPORTANT FINANCIAL STATISTICS

Year	Paid up Capital			Reserves & Surplus	Net Worth	Debentures	Fixed Assets		No of Factories / Projects	Income from Operations	Net Profit	Dividend Paid on Preference & Equity Shares	Dividend on Equity Shares
	Equity Capital	Preference Capital					Gross Block	Net Block					
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs		₹ Lacs	₹ Lacs	₹ Lacs	%	
1926-27	5.00	-	-	5.00	-	3.79	3.79	2	0.74	-1.40	-	-	
27-28	5.00	-	-	5.00	-	4.47	4.47	4	4.35	-0.55	-	-	
28-29	5.00	-	0.11	5.11	-	5.58	5.58	4	5.26	0.04	-	-	
29-30	5.00	-	0.11	5.11	-	5.91	5.91	6	9.66	1.54	-	-	
30-31	5.00	-	1.41	6.41	-	6.51	6.51	9	8.81	1.75	0.30	26.00	
31-32	5.00	-	2.47	7.48	-	7.14	6.34	13	12.26	2.17	1.00	20.00	
32-33	10.00	-	1.15	11.15	-	13.04	11.24	17	11.38	0.67	1.00	10.00	
33-34	10.00	-	1.32	11.32	-	17.18	15.38	17	10.79	1.18	0.40	4.00	
34-35	10.00	-	2.72	12.72	-	17.86	15.46	23	12.41	2.40	1.25	12.00	
35-36	10.00	6.00	4.46	20.46	-	19.79	16.14	26	15.46	4.11	2.71	26.00	
36-37	22.00	-	3.22	25.22	-	25.45	18.55	30	31.85	2.93	2.86	13.00	
37-38	30.00	-	1.93	31.93	-	29.01	20.61	32	44.86	1.60	1.50	5.00	
38-39	30.00	-	2.21	32.21	-	30.91	21.01	35	40.82	1.78	1.80	6.00	
39-40	30.00	-	1.82	31.82	-	33.45	21.30	34	34.55	1.41	1.20	4.00	
40-41	30.00	-	2.73	32.73	15.00	35.34	21.19	33	70.66	2.10	1.80	6.00	
41-42	30.00	-	1.51	31.51	15.00	40.50	24.35	31	85.49	2.08	1.80	6.00	
42-43	30.00	-	1.52	31.52	45.00	56.53	36.73	31	87.07	2.31	1.80	6.00	
43-44	30.00	-	1.06	31.06	45.00	69.93	45.13	38	89.60	2.09	1.80	6.00	
44-45	30.00	-	1.72	31.72	45.00	76.84	52.04	39	56.31	0.96	-	-	
45-46	30.00	50.00	4.04	84.04	45.00	85.04	54.24	39	77.18	3.32	2.31	-	
46-47	30.00	50.00	3.37	83.37	45.00	96.58	59.28	44	77.52	2.83	2.50	-	
47-48	30.00	50.00	1.33	81.33	45.00	111.24	66.74	46	89.54	0.96	-	-	
48-49	30.00	50.00	2.73	82.73	45.00	121.54	70.04	45	108.84	1.40	2.50	-	
49-50	30.00	50.00	6.72	86.72	45.00	130.98	65.48	44	147.43	5.95	5.90	3.00	
50-51	30.00	50.00	7.54	87.54	31.05	117.72	46.95	45	140.97	5.87	4.30	6.00	
51-52	30.00	50.00	9.32	89.32	29.58	123.01	38.93	47	130.84	5.88	4.30	6.00	
52-53	30.00	50.00	14.63	94.63	29.23	131.74	38.87	52	147.39	8.45	7.00	15.00	
53-54	30.00	50.00	14.10	94.10	29.19	139.06	37.22	50	140.53	6.47	5.20	9.00	
54-55	30.00	50.00	19.16	99.16	29.19	148.49	38.19	57	183.46	7.81	5.20	9.00	
55-56	30.00	50.00	33.53	113.53	29.18	155.28	48.78	55	229.29	16.06	5.20	9.00	
56-57	30.00	50.00	52.35	132.35	29.18	159.43	48.61	57	275.91	17.25	5.20	9.00	
57-58	30.00	50.00	67.20	147.20	29.18	165.15	46.96	58	250.62	20.52	5.20	9.00	
58-59	30.00	50.00	79.71	159.71	29.18	192.08	65.87	56	253.84	17.41	6.40	13.00	
59-60	60.00	50.00	85.54	195.54	29.18	225.73	88.22	58	268.69	11.49	8.13	13.00	
60-61	60.00	50.00	109.38	219.38	29.18	246.93	100.42	60	349.46	15.24	10.30	13.00	
61-62	60.00	50.00	120.97	230.97	29.18	263.33	105.30	59	352.37	19.65	10.90	14.00	
62-63	60.00	50.00	139.63	249.63	29.18	272.67	116.20	57	376.40	15.38	10.90	14.00	
63-64	60.00	50.00	159.58	269.58	29.18	302.93	134.25	60	487.93	27.27	11.50	15.00	
64-65	60.00	50.00	176.61	286.61	50.00	323.78	140.85	59	537.39	22.88	11.50	15.00	
65-66	60.00	50.00	194.97	304.97	50.00	353.17	152.60	60	574.68	20.42	11.50	15.00	
66-67	120.00	50.00	153.19	323.18	50.00	365.39	147.41	60	528.10	8.20	13.87	10.00 Bonus 1:2 & Right issue 1:3	
67-68	120.00	50.00	147.88	317.88	50.00	379.49	148.63	59	491.36	7.85	14.50	10.00	
68-69	120.00	50.00	153.86	323.86	50.00	440.07	193.03	58	574.49	18.06	14.50	10.00	
69-70	120.00	50.00	145.57	315.57	50.00	482.33	212.05	58	589.86	-3.86	14.50	10.00	
70-71	120.00	50.00	145.08	315.08	50.00	499.88	212.70	53	563.27	10.37	14.50	10.00	
71-72	120.00	50.00	157.39	327.39	50.00	508.78	201.05	55	639.15	23.62	16.90	10.00 +2 %	
72-73	120.00	50.00	168.46	338.46	50.00	541.70	212.17	55	762.11	19.94	16.90	12.00	
73-74	120.00	50.00	192.32	362.32	50.00	559.02	208.02	53	891.16	33.81	12.10	8.00	
74-75	120.00	50.00	215.49	385.49	50.00	581.43	213.61	55	850.06	36.80	16.90	12.00	
75-76	120.00	50.00	234.78	404.78	50.00	609.74	221.37	51	995.94	36.57	21.70	12.00 +4 % (Jubilee Dividend)	
76-77	120.00	50.00	264.17	434.17	50.00	672.98	255.76	48	1350.84	40.49	21.70	12.00 +4 %	
77-78	150.00	50.00	258.31	458.31	1.47	806.68	457.37	49	1177.59	19.16	21.70	12.80 Bonus 1:4	
78-79	150.00	50.00	262.13	462.13	-	828.17	330.83	50	1227.34	19.65	21.70	12.80	
79-80	150.00	50.00	236.42	436.42	-	836.28	331.50	50	1238.02	28.99	21.70	12.80	
80-81	150.00	50.00	259.31	459.31	-	857.28	306.50	50	1596.64	41.70	21.70	12.80	
81-82	150.00	50.00	299.19	499.19	-	919.05	332.19	49	1804.52	86.53	29.51	15.00 +3% (Walchand Centenary Dividend)	
82-83	150.03	50.00	382.13	582.17	-	1038.37	389.45	50	2018.93	85.90	25.01	15.00	
83-84	150.03	50.00	551.85	751.88	-	1110.46	395.22	49	2190.96	176.38	29.51	18.00	
84-85	225.05	50.00	830.58	905.63	200.00	1340.53	509.86	51	2474.28	163.31	43.01	18.00 Bonus 1:2	
85-86	225.05	50.00	803.94	1078.99	200.00	1510.97	533.76	49	2755.29	221.18	49.76	18.00 +3% (Diamond Jubilee Dividend)	
86-87	225.05	50.00	856.10	1081.16	300.00	1666.49	502.27	49	2938.04	100.05	41.13	18.00	
(Upto 30-9-86)													
87-88	225.05	-	954.25	1179.30	300.00	1688.52	510.15	48	3596.27	138.86	40.51	18.00	
88-89	225.05	-	1102.53	1327.59	300.00	1767.64	634.39	50	3328.10	103.18	33.76	15.00 (For 9 months period)	
89-90	337.58	-	1050.89	1388.47	492.50	1893.35	664.92	51	5542.73	107.56	50.64	15.00 Bonus 1:2	
90-91	337.58	-	986.81	1324.38	500.00	2050.47	930.84	50	4506.00	-176.50	50.64	15.00	
91-92	337.58	-	991.84	1329.41	409.00	2089.03	901.37	48	8209.35	58.74	50.64	15.00 (For 18 months period)	
92-93	337.58	-	1086.34	1423.92	409.00	2122.21	892.55	47	4503.52	123.15	25.32	15.00 (For 6 months period)	
93-94	387.58	-	1177.08	1564.66	286.33	2278.75	958.67	48	7651.09	160.06	65.26	18.00	
94-95	387.58	-	1445.15	1832.73	200.00	2452.32	1035.55	47	8805.39	310.56	77.52	20.00	
95-96	387.58	-	2214.26	2601.84	150.00	2464.23	968.85	46	7397.47	866.00	96.89	20.00 +5% (Seventieth Anniversary Dividend)	
96-97	387.58	-	2422.23	2809.81	100.00	2443.29	946.31	43	7397.00	293.24	77.52	20.00	
97-98	387.58	-	2692.85	3080.43	50.00	2461.38	879.14	40	9224.05	364.42	85.27	22.00	
98-99	387.58	-	2947.38	3334.96	-	2586.05	894.20	38	10027.52	353.48	89.14	23.00	
99-00	387.58	-	3228.90	3616.47	-	2941.08	1173.59	39	10868.18	380.46	89.14	23.00	
2000-01	387.58	-	3631.17	4018.75	-	3052.18	1186.74	38	10835.22	530.41	116.27	25.00 +5% (Platinum Jubilee Dividend)	
01-02	387.58	-	4246.98	4634.56	-	3116.95	1184.39	35	11520.83	921.68	116.27	30.00	
02-03	387.58	-	5276.75	5664.32	-	3490.44	1423.40	35	14143.71	1160.94	116.27	40.00	
03-04	290.68	-	8950.91	9241.60	-	3928.48	1472.95	33	17207.62	5075.35	726.71	50.00 +200% (Special Interim Dividend)	
04-05	290.68	-	10991.86	11282.54	-	4600.27	1926.83	31	21040.25	2535.71	436.02	50.00 +100% (Special Interim Dividend)	
05-06	484.47	-	11521.75	12006.22	-	5701.92	2828.08	32	25608.72	972.27	218.01	40.00 +5% (Eightieth Anniversary Dividend) & Bonus 2 : 3	
06-07	484.47	-	12852.79	13337.27	-	6940.06	3724.87	30	36280.18	1671.12	290.68	60.00	
07-08	484.47	-	13957.80	14442.27	-	7224.78	3799.39	30	45180.13	1501.76	339.13	70.00	
08-09	484.47	-	16006.88	16491.35	-	9473.95	5607.64	29	66534.80	2530.89	411.80	85.00	
09-10	484.47	-	18297.37	18781.84	2000.00	10863.77	6409.84	28	67564.54	2857.30	484.47	100.00	
10-11	484.47	-	20531.26	21015.73	-	12357.94	7210.67	25	64852.90	2796.95	484.47	100.00	
11-12	484.47	-	21560.56	22045.03	-	12571.31	7385.97	22	51716.92	1592.36	484.47	100.00	
12-13	484.47	-	23221.65	23706.12	-	14326.30	8060.06	22	69579.06	2284.58	532.92	110.00	



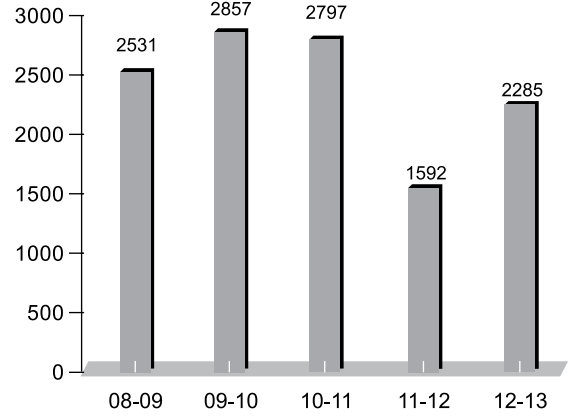
INCOME FROM OPERATIONS

₹ in Lacs



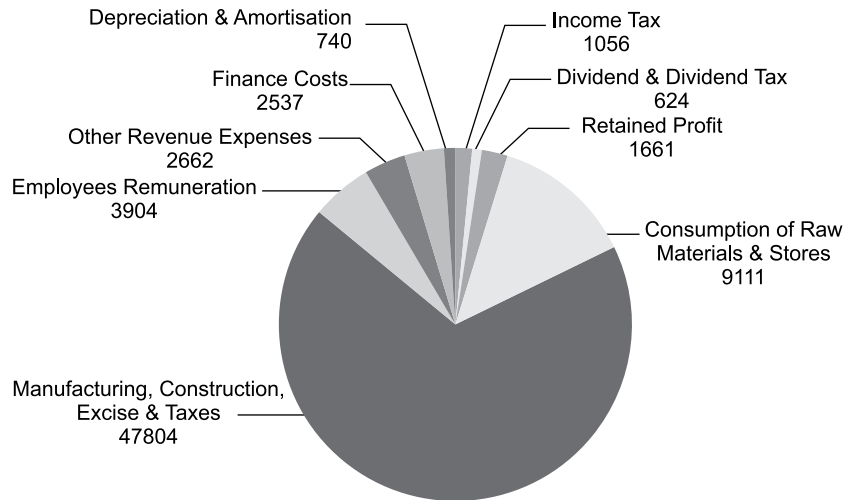
NET PROFIT

₹ in Lacs



DISTRIBUTION OF INCOME, EXPENDITURE AND PROFIT

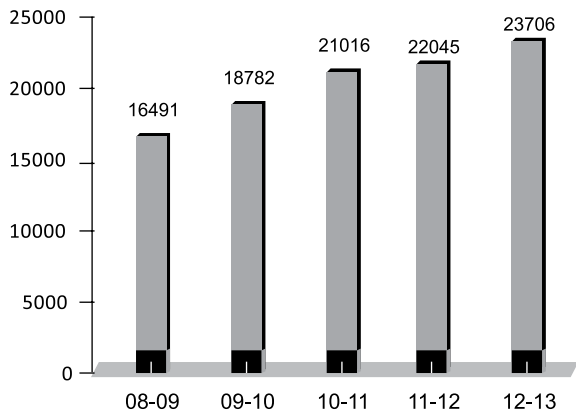
₹ in Lacs



SHAREHOLDERS' FUND

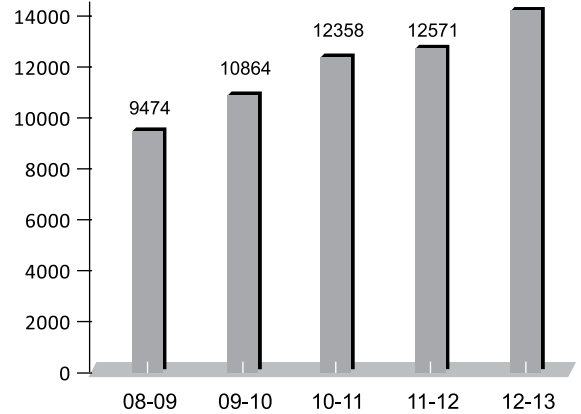
₹ in Lacs

■ Equity ■ Reserve



GROSS BLOCK

₹ in Lacs





The Indian Hume Pipe Co. Ltd.

Registered Office : Construction House, 2nd floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001.

ATTENDANCE SLIP

Registered Folio No. /D. P. ID & Client ID _____

I/We hereby record my/our presence at the Eighty Seventh Annual General Meeting of the Company at Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th Floor, Indian Merchants' Chamber Road, Churchgate, Mumbai 400 020 on Thursday, 25th July, 2013 at 4.00 P.M.

(Member's/Proxy's name in Block letters)

(Member's/Proxy's Signature)

NOTE : Please fill this attendance slip and hand it over at the entrance of the hall.



CUT HERE



The Indian Hume Pipe Co. Ltd.

Registered Office : Construction House, 2nd floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001.

PROXY

Registered Folio No. /D. P. ID & Client ID _____

I/We _____
of _____ in the district of _____
being a Member/Members of the above named Company hereby appoint _____
of _____ in the district of _____ or failing him/her _____ of _____
in the district of _____ as my / our proxy to attend and vote for me/us and on my/our behalf at the Eighty Seventh Annual General Meeting of the Company to be held on Thursday, 25th July, 2013 at 4.00 P. M. and at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix
Revenue
Stamp

Signature _____

Note : This form of proxy duly completed, stamped and signed should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Eighty Seventh Annual General Meeting. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**



CUT HERE



CHANGE OF ADDRESS / CHANGE OF E-MAIL ID

To,
Company Secretary
The Indian Hume Pipe Co. Ltd.,
Construction House, 2nd floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001

Date: _____

Registered Folio No.
[to be filled by the Member(s)]

Dear Sir,

Kindly register my / our new address and/or e-mail ID for future communications.

Name and New Address _____

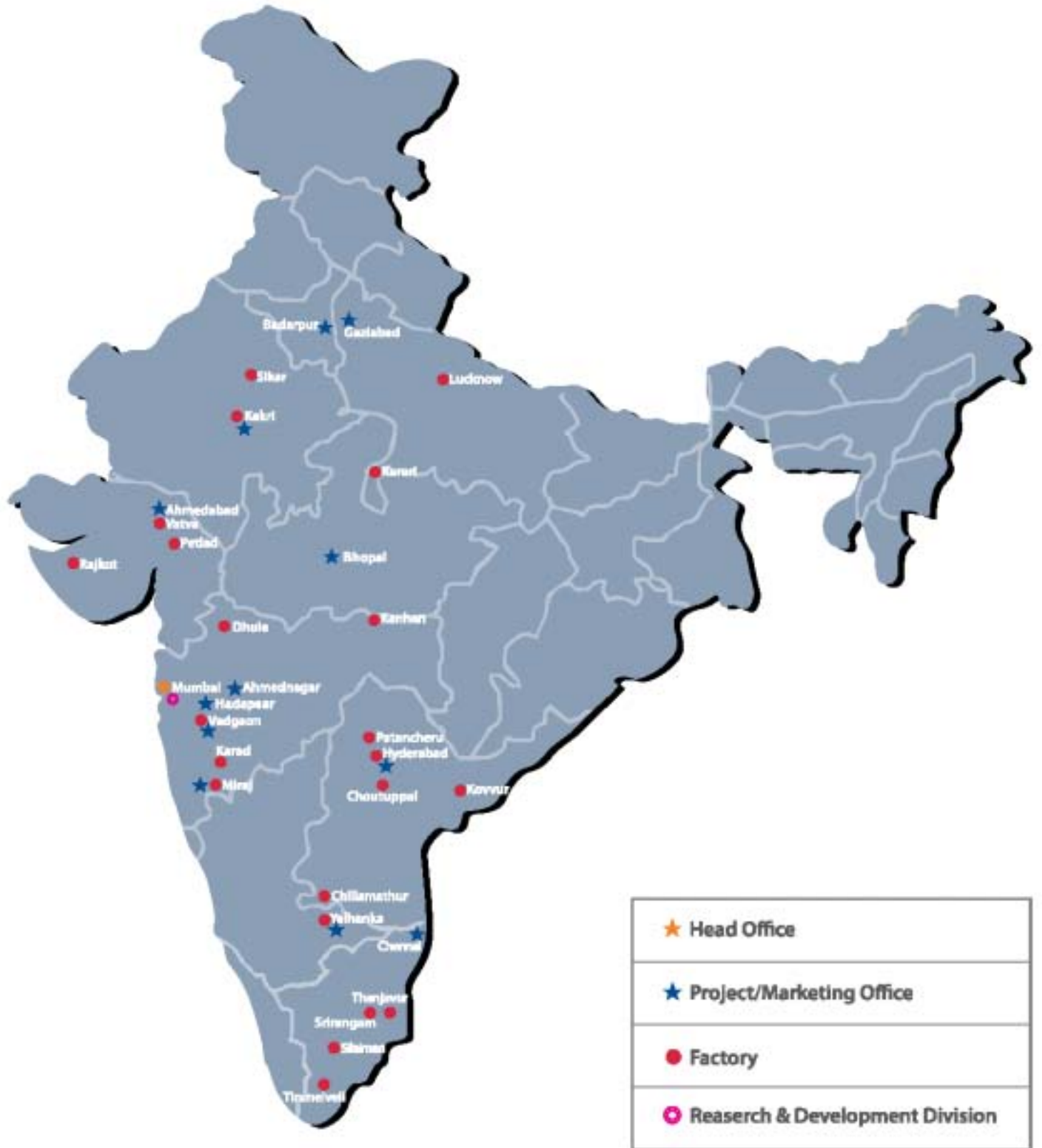
_____ Pin _____

Tel No.: _____
(If any)

E-mail ID _____

Sole/First Shareholder Signature

IHP FACTORIES / PROJECTS IN INDIA



MAP not to scale



The Indian Hume Pipe Co. Ltd.

Construction House, 5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001, India.

Tel: 91 - 22 - 22618091 / 40748181

Fax: 91 - 22 - 22656863

Email: info@indianhumpipe.com

Web: www.indianhumpipe.com



The Indian Hume Pipe Co. Ltd.

Registered Office : Construction House, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001. INDIA
Tel. : +91-22-22618091, +91-22-40748181 • Fax : +91-22-22656863 • E-mail : info@indianhumepipe.com • Visit us at : www.indianhumepipe.com

FORM A

1.	Name of the Company :	The Indian Hume Pipe Company Limited
2.	Annual financial statements for the year ended :	31 st March, 2013
3.	Type of Audit observation :	Un-qualified
4.	Frequency of observation :	Not Applicable
5.	Signed by Chairman & Managing Director (CEO)	 Rajas R. Doshi
	Signed by Controller of Accounts & Finance (CFO)	 M. S. Rajadhyaksha
	Signed by K. S. Aiyar & Co. , Chartered Accountants Statutory Auditors	 Raghuvir M. Aiyar Partner Membership No. 38128
	Signed by Chairman – Audit Committee	 Rajendra M. Gandhi