



# Indian Hume Pipe

**ANNUAL REPORT**  
**2015 - 16**





<b>Board of Directors</b>	<b>Mr. Rajas R. Doshi</b> <b>Mr. Ajit Gulabchand</b> <b>Ms. Jyoti R. Doshi</b> <b>Mr. Rajendra M. Gandhi</b> <b>Mr. Rameshwar D. Sarda</b> <b>Mr. N. Balakrishnan</b> <b>Ms. Anima B. Kapadia</b> <b>Mr. Vijay Kumar Jatia</b> <b>Mr. P. D. Kelkar</b> <b>Mr. Mayur R. Doshi</b>	<b>: Chairman &amp; Managing Director</b>          <b>: Executive Director</b>
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**Company Secretary** **Mr. S. M. Mandke**

**Chief Financial Officer** **Mr. M. S. Rajadhyaksha**

<b>Executives</b>	<b>Mr. P. R. Bhat</b> <b>Mr. Ajay Asthana</b> <b>Mr. G. Pundareekam</b> <b>Mr. Shashank J. Shah</b> <b>Mr. S. P. Makhija</b> <b>Mr. M. N. Gawade</b> <b>Mr. A. B. Joshi</b>	<b>: Vice President</b> <b>: Sr. General Manager</b> <b>: Sr. General Manager</b> <b>: General Manager</b> <b>: General Manager</b> <b>: Chief Internal Auditor</b> <b>: Chief Personnel Manager</b>
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**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 and 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 / 78 Fax No. 022-25946969  
email : rnt.helpdesk@linkintime.co.in

**Registered Office** Construction House, 2<sup>nd</sup> 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  
CIN No. : L51500MH1926PLC001255

**Annual General Meeting** **Wednesday, 27<sup>th</sup> July, 2016, 4.00 p.m.**  
**Walchand Hirachand Hall,**  
Indian Merchants' Chamber Building,  
4<sup>th</sup> Floor, Indian Merchants' Chamber Marg,  
Churchgate, Mumbai – 400 020

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## NOTICE

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

DAY : Wednesday  
DATE : 27th July, 2016  
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 receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 including the Audited Balance Sheet as at 31st March, 2016 and the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend as final dividend, for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Mayur R. Doshi (DIN 00250358), who retires by rotation and being eligible offers himself for re-appointment.
4. 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 Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the members at the Eighty Ninth Annual General Meeting of the Company held on 4th August, 2015, the re-appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration No.100186W) as the Auditors of the Company, for a term of 2 years, i.e. till the conclusion of the 91st Annual General Meeting (AGM) of the Company to be held in the year 2017, which was subject to ratification at every AGM, be and is hereby ratified to hold office from the conclusion of this AGM till the conclusion of the 91st AGM of the Company to be held in the year 2017, to do Statutory Audit of the Company's accounts including its branches for the financial year 2016-17, on a remuneration as may be fixed by the Board of Directors of the Company and that they be paid, in addition, Service Tax and reimbursement of out of pocket and / or travelling expenses they may incur in carrying out their duties as such Auditors.

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

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and the Articles of Association of the Company 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. Mayur R. Doshi (DIN 00250358) as the Executive Director of the Company for a further period with effect from 1st April, 2016 to 30th June, 2019 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. Mayur 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 (on the recommendation of Nomination and Remuneration Committee and subject to approval of the Audit 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. Mayur R. Doshi so as not to exceed the maximum limit for the payment of remuneration specified under the Companies Act, 2013 read with relevant Rules thereunder and Schedule V including any re-enactments / amendments thereto.

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

6. 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 the Companies Act, 2013 and Rules thereunder, the Board of Directors be and are hereby authorised to appoint Branch Auditors for auditing accounts of branches of the Company for the financial year 2016-17, 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, deeds, matters and things as may be necessary, desirable and expedient to give effect to this resolution.”

7. 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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the set of Articles of Association place before the Members, be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



## NOTICE

8. 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 148(3) and other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration payable to Mr. Vikas Vinayak Deodhar, Cost Accountant having Membership No.3813 who was appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2016-17, amounting to ₹ 1,20,000/- (Rupees One Lac Twenty Thousand only) as also the payment of Service Tax as applicable and reimbursement of out of pocket expenses and/or travelling expenses incurred by him in connection with the aforesaid cost audit be and is hereby ratified and confirmed.”

By Order of the Board of Directors,  
For The Indian Hume Pipe Co. Ltd.

**S. M. Mandke**  
Company Secretary

### Registered Office:

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

Date : 19<sup>th</sup> May, 2016

### NOTES:-

- (1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER.**

**THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS SENT HERewith.**

- (2) **MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING ALONGWITH COPY OF ANNUAL REPORT FOR 2015-16.**
- (3) Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a duly certified copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.

- (4) In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting, if not already voted through remote e-voting.
- (5) A Route Map showing the directions to reach the venue of the Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards – 2 on ‘General Meeting’.
- (6) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20th July, 2016 to Wednesday, 27th July, 2016 (both days inclusive) for the purpose of Annual General Meeting.
- (7) The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under item Nos. 5 to 8 above, to be transacted at the meeting is annexed hereto and forms part of this Notice.
- (8) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.

The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.

- (9) The Interim Dividend of ₹ 3.20 per share of ₹ 2/- each on 2,42,23,585 Equity Shares for the financial year ending 31-03-2016 was declared by the Board of Directors at their meeting held on 11th March, 2016 and the same was paid to all the shareholders on 28th March, 2016. The aforesaid Interim Dividend shall be declared as final Dividend for the year ended 31st March, 2016.
- (10) Shareholders who hold Shares in dematerialised form may please note that as advised by the Securities and Exchange Board of India, the Company will mandatorily print the Shareholder(s) Bank Account details as furnished by the respective Depositories to the Company on the dividend warrants.
- 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.
- (11) In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s. Link Intime India Pvt. Ltd or may download from the Company’s website [www.indianhumepipe.com](http://www.indianhumepipe.com).
- (12) Electronic copy of the Notice of the 90th Annual General Meeting of the Company including copy of the Annual Report for 2015-16 inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email addresses are registered with the Depository Participant(s) or if in physical form where email addresses registered with the Company for communication purposes unless any member has requested for

## NOTICE

a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report 2015-16 is being sent in the permitted mode.

(13) Appointment of Director:

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Mayur R. Doshi, Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

A brief profile is given below in respect of Director retiring by rotation at the ensuing Annual General Meeting of the Company.

Mr. Mayur R. Doshi (37) is a graduate in Electronics Engineering from Mumbai University and holds Masters Degree in Computer Science from University of Southern California, Los Angeles, USA. He is associated with the Company as Director since 2007. He is also a Director of IHP Finvest Ltd., Ratanchand Investment Pvt. Ltd., Ratanchand Hirachand Foundation, Walchand Hirachand Foundation and Smt. Pramila Shantil Shah Charity Foundation. He is Trustee of Walchand Trust. He is member of Risk Management Committee of the Company and Stakeholders Relationship Committee of IHP Finvest Ltd.

He is son of Mr. Rajas R. Doshi, Chairman & Managing Director and Ms. Jyoti R. Doshi, Non-Executive Non-Independent Director and Promoters of the Company.

Mr. Mayur R. Doshi holds 86,035 Shares of the Company.

Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of Director seeking appointment at the Annual General Meeting is provided in the Explanatory Statement to the AGM Notice.

(14) There are six Independent Directors on the Board of the Company viz., Mr. Ajit Gulabchand, Mr. Rajendra M. Gandhi, Mr. Rameshwar D. Sarda, Mr. N. Balakrishnan, Mr. Vijay Kumar Jatia and Mr. P. D. Kelkar. All the Independent Directors had been appointed vide members resolution in terms of provisions of the Companies Act, 2013.

The Company has received declarations from all the above Independent Directors stating that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet the requirement of Listing Regulations for being appointed as Independent Directors on the Board of the Company and are also independent of the management.

(15) Members may also note that the Notice of the 90th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [www.indianhumepipe.com](http://www.indianhumepipe.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on any working days upto the date of the AGM.

(16) Even after registering for e-communication, members are entitled to receive such communication in physical form free of cost upon making a request for the same. For any communication,

the members may also send requests to the Company's email id: [investorsgrievances@indianhumepipe.com](mailto:investorsgrievances@indianhumepipe.com)

(17) Members wishing to claim dividends, which remain unclaimed are requested to contact with M/s. Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF).

We therefore request the members who have not yet encashed their dividend warrants for the financial year 2008-09 and onwards to contact the Company's Registrar and Transfer Agent, M/s. Link Intime India Pvt. Ltd. claiming dividends declared by the Company for the said financial years.

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
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
2012-13	25-07-2013	30-07-2013	31-08-2020
2013-14	25-07-2014	30-07-2014	31-08-2021
2014-15	04-08-2015	06-08-2015	08-09-2022

(18) **To support the "GREEN INITIATIVE" of the Government and enable the Company to send Annual Reports, Notices, documents, communications and dividend payment intimation to the Members Email Ids in electronic form 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](http://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 their Email Ids and Bank details.**

(19) Members are requested to immediately notify change in their registered address, E-mail Ids, 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, E-mail Ids, Bank details etc. if any, to their respective Depository Participant(s).

(20) Non-Resident Indian Members are requested to write to M/s. Link Intime India Pvt. Ltd., immediately for change in their residential status on return to India for permanent settlement.

(21) Voting through electronic means

(i) In compliance with provision of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and sub-regulation (1) & (2) of regulation 44 of SEBI Listing



## NOTICE

Regulations, the Company is pleased to provide members facility to exercise their right to vote at the 90th AGM by electronic means and the business may be transacted through e-voting service provided by National Securities Depository Limited (NSDL):

The Instructions for e-voting are as under:

A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open email and open PDF file viz "IHP E-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://evoting.nsd.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the Password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of The Indian Hume Pipe Company Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholder (i.e. other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to [ihpscrutinizer@indianhumepipe.com](mailto:ihpscrutinizer@indianhumepipe.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy):

- (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM:

EVEN Remote (E-Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above to cast vote.
- (II) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholder and e-voting user manual for shareholder available at the Download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.
- (III) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (IV) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (V) The e-voting period commences on Saturday, 23rd July, 2016 (9.00 a.m.) and ends on Tuesday, 26th July, 2016 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Wednesday, 20th July, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (VI) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of Wednesday, 20th July, 2016.
- (VII) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, 20th July, 2016 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or issuer / RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, 20th July, 2016 only shall be entitled to avail with the facility of remote e-voting or voting at the AGM through ballot paper.

Mr. J. H. Ranade, Proprietor M/s. J. H. Ranade & Associates, Practising Company Secretary (Membership No. 4317 and Certificate of Practice No. 2520) has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

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The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.indianhumepipe.com](http://www.indianhumepipe.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be uploaded on the BSE Listing Portal and on the NSE NEAPS Portal.

Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e Wednesday, 27th July, 2016.

- (22) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours on all working days between 11.00 a.m. and 1.00 p.m. except Sunday and Holidays, up to and including the date of the AGM of the Company.

### ANNEXURE TO THE NOTICE

#### Item No.4

The Members of the Company had, at the 89th Annual General Meeting held on 4<sup>th</sup> August, 2015, had approved the re-appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai, (Firm Registration No.100186W) as Auditors, to hold office from the conclusion of that AGM until the conclusion of the 91st AGM (subject to ratification of the appointment by the Members at every AGM held after that AGM).

The Companies (Audit and Auditors) Rules, 2014, states that appointment of the auditor shall be subject to ratification by the members at every AGM till the expiry of the term of the Auditor.

In view of the above, the existing appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, Mumbai covering the period from the conclusion of this ensuing AGM until the conclusion of the next AGM to be held in the year 2017, is being placed for members' ratification.

The Board recommends the passing of the Ordinary Resolution at Item No.4 of the accompanying Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No.4 of this Notice.

### EXPLANATORY STATEMENT

#### Pursuant to Section 102 of the Companies Act, 2013

#### Item No.5

The members had, at the 86th Annual General Meeting of the Company held on 25th July, 2012, approved the appointment of Mr. Mayur R. Doshi as the Executive Director of the Company and approved the terms of remuneration from 28th May, 2012 to 31st March, 2016.

Further the Board on the recommendation of Nomination and Remuneration Committee and approval of the Audit Committee has re-appointed Mr. Mayur R. Doshi as an Executive Director of the Company with effect from 1st April, 2016 to 30th June, 2019 subject to the approval of the Shareholders at the ensuing Annual General Meeting.

Mr. Mayur R. Doshi (37) is a graduate in Electronics Engineering from Mumbai University and holds Masters Degree in Computer Science from University of Southern California, Los Angeles, USA. Before joining the Company

in 2007, he was working in Siebel Systems and Oracle Corporation, San Francisco, USA for 2 ½ years. Mr. Mayur R Doshi was appointed as General Manager of the Company w.e.f.3rd December, 2007. He was promoted as Vice-President w.e.f. 1st November, 2011. He was instrumental in setting up and implementing ERP modules for the Company. He is spearheading the Company's businesses particularly in Maharashtra, Gujarat & Karnataka and R & D division and had played pivotal role in crossing ₹ 1,000 Crores turnover mark for the Company in 2014-15. He is also actively involved in selection, negotiations and finalization of Development Agreements with Developers for the development of Company's underutilized lands.

Taking into consideration the duties and responsibilities of the Executive Director, the prevailing managerial remuneration in industry and on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, the Board at its meeting held on 29th January, 2016 approved the remuneration, terms and conditions of the re-appointment of Mr. Mayur R. Doshi, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder :

- A. Name and Designation :  
Mr. Mayur R. Doshi, Executive Director.
- B. Period :  
From 1st April, 2016 to 30th June, 2019
- C. Remuneration :
- (i) Salary - ₹ 4,50,000/- per month  
(in the scale of ₹ 4,50,000 – ₹ 75,000 – ₹ 6,75,000)
- (ii) Commission: The Executive Director will be paid in addition to salary, perquisites and allowances a commission at a rate not exceeding 2%, of the net profits of the Company in a particular financial year, as may be determined by the Nomination and Remuneration Committee and Board of Directors of the Company at the end of each financial year subject to the overall ceilings on the managerial remuneration laid down under Section 197, 198 and Schedule V of the Companies Act, 2013.





## NOTICE

### (iii) Perquisites & Allowances

In addition to the salary and commission payable, the Executive Director shall also be entitled to perquisites and allowances like free furnished residential accommodation special allowance, other allowance(s), reimbursement of actual medical expenses incurred in India and / or abroad for himself and his family including hospitalization, payment of insurance premium towards domestic medical insurance policy and reimbursement of expenses for utilities such as gas, electricity, water, furnishing, repairs, other allowances, fees of clubs including admission / entry fees, personal accident insurance, and in the case of medical treatment abroad, the air fare, boarding/lodging, travel etc. for self and family and attendant, 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 recommended by the Nomination and Remuneration Committee and approved by Board of Directors. However, such perquisites and allowances will be in aggregate subject to maximum of 125% of the annual salary.

For the purpose of calculating the above ceiling, perquisites and other 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.

- (a) The Company shall provide Company maintained car with driver / reimbursement expenses of driver for use by the Executive Director in connection with the performance of his duties as the Executive Director and shall also provide at his residence telephones (including payment for local calls and long distance official calls), reimbursement of Mobile phones expenses & outgoings, telefax and other communication facilities. These provisions shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (b) The Executive Director will be entitled for privilege leave on full pay and allowances and / or encashment of leave thereof as per the rules of the Company.
- (c) The following perquisites shall not be included in the computation of ceiling on remuneration specified above:
- i) 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;
  - ii) Gratuity payable as per the rules of the Company.
  - iii) Encashment of leave at the end of the tenure.
- D) The Company may provide its owned furnished flat on rent to the Executive Director for his residential accommodation in lieu of providing free furnished residential accommodation. This will not be treated as perquisite. Further the Executive Director will be paid house rent allowance.
- E) Minimum remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Executive 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 provisions including Schedule V of the Companies Act, 2013.

Article 186A(b) of the Articles of Association of the Company inter alia provides that a whole time director of the Company shall not, while he continues to hold that office, be subject to retirement by rotation. Mr. Mayur R. Doshi is being appointed as whole time director and under the said Article 186A, he would not be liable to retire by rotation. However, under Section 6 of the Companies Act, 2013 the provisions of the Act will have effect notwithstanding anything to the contrary contained in the Articles of Association of the Company. For the purpose of compliance with Section 152 of the Companies Act, 2013 and for determining the director whose period of office is liable to determination by retirement by rotation, the Board at its meeting held on 29th January, 2016 took note of the consent given by Mr. Mayur R. Doshi being longest in office, to retire by rotation at the ensuing AGM of the Company for the purpose of compliance of Section 152(6)(a) of the Companies Act, 2013. Such re-appointment as director retiring by rotation shall not constitute break in his appointment as Executive Director of the Company.

He is also a Director of IHP Finvest Ltd., Ratanchand Investment Pvt. Ltd., Ratanchand Hirachand Foundation, Walchand Hirachand Foundation and Smt. Pramila Shantilal Shah Charity Foundation. He is Trustee of Walchand Trust. He is member of Risk Management Committee of the Company and Stakeholders Relationship Committee of IHP Finvest Ltd., Holding Company.

Mr. Mayur R. Doshi holds 86,035 Shares of the Company.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V of the said Act, Central Government approval is not required for his re-appointment.

The draft Agreement between Mr. Mayur R. Doshi and the Company is available for inspection to the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to the date of the 90th AGM of the Company.

Mr. Mayur R. Doshi is interested in the resolution. Mr. Rajas R. Doshi, Chairman & Managing Director and Ms. Jyoti R. Doshi, Non-Executive Non-Independent Director and Promoters of the Company are related to Mr. Mayur R. Doshi being their son and are therefore concerned and interested, in the resolution set out at Item No.5.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

### Item No.6 :

Section 143 of the Companies Act, 2013 and the Rules thereunder provides for appointment of Branch Auditors to do the audit of the Branches of the Company. The Board recommends the resolution authorising board to appoint Branch Auditors for the financial year 2016-17, as may be decided by the Board.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

## NOTICE

### Item No.7 :

The present Articles of Association of the Company were originally adopted when the Company was incorporated under the Companies Act, 1913.

The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956. With the introduction of Companies Act, 2013, it is proposed to wholly substitute the existing Articles of Association of the Company with a new set of Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder.

A copy of the proposed set of new Articles of Association of the Company is available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Sunday and holidays up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the Special Resolution set out at Item No.7 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.7 of the Notice.

### Item No.8 :

The Board of Directors on the recommendation of the Audit Committee approved the appointment of Mr. Vikas Vinayak Deodhar, Cost Accountant, Membership No.3813 to conduct the audit of the cost records of the Company for the financial year 2016-17.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the members of the Company.

Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for the financial year 2016-17 as set out in the resolution at Item No.8 of the Notice.

The Board recommends the above Ordinary Resolution at Item No.8 for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No.8 of the Notice.

By Order of the Board of Directors,  
For The Indian Hume Pipe Co. Ltd.

**S. M. Mandke**  
Company Secretary

### Registered Office:

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

Date : 19<sup>th</sup> May, 2016

## IMPORTANT COMMUNICATION TO MEMBERS

1. **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.indianhumpipe.com](http://www.indianhumpipe.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.

2. **Members holding shares in Physical mode are requested to demat their shares in order to reap the advantages of holding their shares in electronic form like no risk of loss of share certificate, transfer form, speedier share transfer, no stamp duty on transfer of shares etc.**

Members are aware that the Company's Shares are compulsorily traded in electronic form only. Presently 97.55% of shares are in demat mode.

Therefore Members holding shares in physical form are requested and encouraged to consider converting their holding in dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Share Department of the Company or M/s. Link Intime India Pvt. Ltd., Registrar Transfer Agent for assistance in this regard.



## ROUTE MAP TO REACH THE AGM VENUE

Venue of the 90<sup>th</sup> Annual General Meeting of the Company  
to be held on Wednesday, 27<sup>th</sup> July, 2016 at 4.00 p.m.

### Venue Address

**Walchand Hirachand Hall, Indian Merchants' Chamber,  
Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020,**



# 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 three decades 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. A scarce natural resource, water is fundamental to life, livelihood, food security and sustainable development. India has more than 18% of the world's population, but has only 4% of world's renewable water resources and 2.4% of world's land area. There are further limits on utilizable quantities of water owing to uneven distribution over time and space. In addition, there are challenges of frequent floods and droughts in one or the other part of the country. With a growing population and rising needs of a fast developing nation as well as the given indications of the impact of climate change, availability of utilizable water will be under further strain in future with the possibility of deepening water conflicts among different user groups. Low consciousness about the scarcity of water and its life sustaining and economic value results in its mismanagement, wastage, and inefficient use, as also pollution and reduction of flows below minimum ecological needs. In addition, there are inequities in distribution and lack of a unified perspective in planning, management and use of water resources (Source:- National Water Policy 2012). 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 and sewerage schemes in sanitation Swachh Bharat 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 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 steel during 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 89 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 ₹ 1,000 Lacs each during the year are:-

1. For TWAD Board, Coimbatore, in Tamilnadu 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 Sumps and 103 Nos Service Reservoirs of the value of ₹ 15,200.50 Lacs.



3 Lakh Litre Capacity 16 Meters Height Service Reservoir for Palladam Water Supply Project in Tamilnadu



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

2. For I & CAD Dept., GRP Circle, Yemmiganoor, in Telangana 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.
3. For Larsen & Toubro Ltd, Pokaran Falsoond Baltora Siwana Lift Water Supply Project PKG 4A in Rajasthan, consisting supply of 250 to 900 mm dia BWSC pipes of the value of ₹ 5,203.25 Lacs.
4. For Public Health Division, Ananthapur, in Andhra Pradesh 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 and civil work of the value of ₹ 4,769.33 Lacs.



10 MLD Water Treatment Plant at Dhone Water Supply Scheme in Andhra Pradesh

5. For RWSS Circle, Nalgonda for CPWSS to Alair, Gundala and Rajapeta Mandals in Nalgonda District, in Telangana project consisting of 350-400 mm dia BWSC, 150-400 mm dia DI, 63-180 mm dia HDPE & PVC Pipes including 3MLD RSF, OHBR/GLBR's Collection well cum Pump House of the value of ₹ 2,907.49 Lacs.
6. For M/s IFFCO Kisan SEZ Limited, Nellore in Andhra Pradesh for Construction of underground Water Pipe Line including Civil, Electrical and Mechanical works from Kinigiri Reservoir to IKSEZ Project site, Nellore consisting of 900 mm dia PSC pipe including Jack Well cum Pump House and all related Electro Mechanical Works of the value of ₹ 2,486.74 Lacs.



Pump House at M/s IFFCO KISAN SEZ Limited, Nellore in Andhra Pradesh

7. For Bangalore Water Supply & Sewerage Board, Bangalore in Karnataka for S2E1 Drainage Project for manufacture, supply, laying, jointing & testing of RCC NP3 Class pipes from 400 mm dia to 900 mm dia for 4,815.59 Mtrs of the value of ₹ 1,824.74 Lacs.
8. For RWSS Circle, Uppal, Hyderabad in Telangana for CPWSS to Quality Affected Habitations in Chevella Constituency and other habitations of Ranga Reddy District, in Andhra Pradesh project consisting of 350 mm dia BWSC pipes and HDPE, GRP pipes, Sumps, GLBRs, GLSRs & OHBR's of the value of ₹ 1,575.38 Lacs.
9. In addition to the above we have successfully completed 16 projects amounting to ₹ 4,078.93 Lacs of the value less than ₹ 1,000 Lacs each at various locations in India.

**(ii) Company's works on many Water Supply Projects and Drainage Schemes valued more than ₹ 2,500 Lacs each are progressing well and/or nearing completion and the noteworthy amongst them are:-**

1. Providing Drinking Water to Balkonda, Armoor, Nizamabad, Kamareddy and part of Yellareddy Constituencies from SRSP Reservoir, Nizamabad District in Telangana consisting of 700 & 1000 mm dia PCC pipes, 450 to 600 mm dia BWSC Pipes and 1000 & 1400 mm dia MS pipes, 100 to 900 mm dia DI K7 & K9 pipes and 63 to 315 mm dia HDPE pipes, 60 MLD RSF, 40 MLD RSF, 22500 KL Sump, OHBR's, GLBR's, pumphouse, watchman qtrs including operation and maintenance for 10 years of the value of ₹ 81,530.80 Lacs for TDWSP Circle, Nirmal.



1400 mm dia MS pipeline laying at Balkonda Water Supply Scheme in Telangana

2. Providing of Drinking water to habitations in Gadwal and Alampur Constituencies from Jurala Project, Mehaboobnagar District in Telangana under Segment-II consisting of 1200 mm dia MS pipes, 100 to 1000 mm dia DI K7 & K9 pipes and 63 to 315 mm dia HDPE pipes, 60 MLD RSF, 9000 KL Sump, OHBR's, GLBR's, pumphouse, watchman qtrs including operation and maintenance for 10 years of the value of ₹ 41,547.05 Lacs for TDWSP Circle, Mehaboobnagar.
3. TWAD Board, Easwari Nagar, M.C. Road, Thanjavur for CWSS to 1003 rural habitations in Pattukottai, Madhukkur Peruvaram and Sedhubavachathiram unions in Tamilnadu 160 wayside habitations etc for collector well, E & M works, Pump sets, MBSR, Service Reservoirs, Sumps, Pump Rooms & pipe carrying bridges and MS/DI/PVC pipe lines of the value of ₹ 36,114.78 Lacs.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

4. TWAD Board, Easwari Nagar, M.C. Road, Thanjavur for CWSS to 1751 rural habitations in Pudukottai District and Vallam Town Panchayat of Thanjavur District in Tamilnadu for collector well, E & M works, Pump sets, MBSR, Service Reservoirs, Sumps, Pump Rooms & pipe carrying bridges and MS/DI/PVC pipe lines of the value of ₹ 23,654.25 Lacs.



580 meters long Foot Bridge at Cauvery River carrying 711 mm dia M.S. Pipeline for CWSS to Pudukottai in Tamilnadu.

5. 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 in Andhra Pradesh 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. Company's Share is 86% i.e. ₹ 22,626.53 Lacs for AVR,HNSS Circle, Madanapalli, Andhra Pradesh.



2000 mm dia PSC pipeline laying for Pulikanuma LIS in Kurnool District in Andhra Pradesh

6. Tillari Water Supply Scheme. The project comprises of PCC pipeline of 1300, 1200, 900 & 800 mm dia for 33.88 Km and BWSC pipeline of 500 to 700 mm dia for 43.73 Km of the value of ₹ 21,806.24 Lacs for Maharashtra Jeevan Pradhikaran in Maharashtra.
7. Comprehensive Water Supply Improvements in Malkajiri (Part of GHMC) – Package-I (b) consisting of 100 mm to 500 mm dia DI for 389.50 KM and 700 mm to 1600 mm dia MS pipes for 6.60 Kms and other allied civil works and house service connections of the value of ₹ 18,113.95 Lacs for HMWSSB, Hyderabad in Telangana.
8. Jalgaon Jamod and 140 villages water supply scheme. The project comprises of 450 to 1000 mm dia PCC pipeline for 48.90 Km of the value of ₹ 16,599.31 Lacs for Maharashtra Jeevan Pradhikaran in Maharashtra.
9. J.C. Nagi Reddy Drinking Water Supply Scheme in Ananthapur District (Phase-IV) in Andhra Pradesh consisting of 350, 800 & 900 mm dia BWSC pipes of the value of ₹ 15,384.57 Lacs for Rural Water Supply & Sanitation Department.
10. Comprehensive Water Supply Improvements in Anantapuramu Municipal Corporation (Package-I) under Andhra Pradesh Municipal Development Project (APMDP) consisting of 100 to 400 mm dia DI pipes of the value of ₹ 14,736.24 Lacs for Municipal Corporation, Anantapuramu.
11. J.C.Nagi Reddy Drinking Water Supply Scheme Phase II & III in Ananthapur District in Andhra Pradesh, consisting of 500 mm dia BWSC pipes and MS pipes of 600 mm dia to 1000 mm dia of the value of ₹ 13,592.90 Lacs for RWS&S dept.
12. Providing water supply facilities to Nalhar Medical College, Nuh Town and surrounding 17 Nos villages of distt. Mewat for Design, Construction and Operation & Maintenance of 32 MLD Water Treatment Plant, Pumping Station, Rising main Distribution system, Reservoirs, Boosting Station and all other related work consisting of DI K-9 100 mm dia to 900 mm dia and RCC NP3 1200 mm dia of the value of ₹ 12,801.01 Lacs for Public Health Department at Nuh, Haryana.
13. 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 ₹ 10,135.26 Lacs for Maharashtra Krishna Valley Development Corporation, Maharashtra.



1500 mm dia PCC pipeline laying for Chilhwadi pipeline project in Maharashtra



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

14. Pulakurthy Lift Irrigation Scheme consisting of Intake Channel, Jackwell cum PH, SS Tank and Electro mechanical works 1900 mm dia PSC pipes, 1900 mm dia MS pipes and 500 mm dia RCC P2 pipes in joint venture with M/s Megha Engineering & Infrastructures Ltd of the value of ₹ 11,326.12 Lacs. The Company's share is 80% i.e. ₹ 9,060.90 Lacs for I&CAD, Kurnool in Andhra Pradesh.



1900 mm dia PSC pipeline laying at Pulakurthy LIS in Kurnool District in Andhra Pradesh

15. Comprehensive Water Supply Service Improvements for Badvel Municipality, Kadappa District in Andhra Pradesh (Package-I), including the work of Intake well, Clear water reservoir, Filtration plant, HDPE pipeline, ELSR, EM works consisting of 100 mm to 600 mm DI pipes of the value of ₹ 8,493.65 Lacs.



500 mm dia DI pipeline on bridge over Sugileru river at Badvel Water Supply Scheme in Andhra Pradesh



9 MLD Water Treatment Plant at Badvel Water Supply Scheme in Andhra Pradesh

16. CPWS Scheme to Thungathurthy, Arvapally, Nuthankal & Thirumalgiri Mandals, Nalgonda District in Telangana consisting of 300 mm to 600 mm dia BWSC pipes for 8.20 Kms of the value of ₹ 8,252.06 Lacs for RWS&S Circle, Nalgonda in Telangana.
17. Buldhana Water Supply Scheme for RCC Design, Construction, Commissioning and Trial Run for Buldhana & 4 Village Water Supply Scheme. The Project comprises of PCC pipeline of 600 to 800 mm dia for 27.18 km of the value of ₹ 8,131.95 Lacs for Maharashtra Jeevan Pradhikaran, Maharashtra.



3.6 Lakh Litre Capacity 20 Meters Staging Height Break Pressure Tank (BPT) at Buldhana Water Supply Scheme in Maharashtra

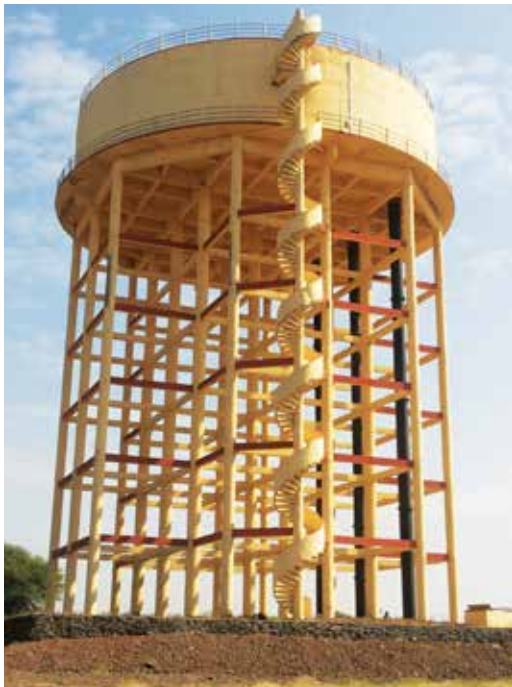
18. Construction of Pumping Mains, Rapid Sand Filters, Sump, Pump House, Staff Quarters and Compound wall near to Yellampally Reservoir for Peddapally consisting of 800 mm dia MS pipes and 115/160 MLD RSF, 12500 KL Sump of the value of ₹ 7,929.19 Lacs for TDWSP Circle, Karimnagar in Telangana.
19. Guna Water Supply Projects consisting of HDPE and DI Pipes, Water Treatment Plant, Intake Well, Over Head Tanks etc of the value of ₹ 7,641.01 Lacs for Guna Municipality, Guna in Madhya Pradesh.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Intake Well for Guna Water Supply Projects in Madhya Pradesh

20. Survey, design, fixing of alignment, supply of all materials, labour, T&P etc. and do earth work, laying of 1200 mm dia BWSC pipe rising main from Nandpur Intake-cum-pump house to water treatment plant & laying of 350 to 1200 mm dia BWSC pipe, 150 mm dia to 800 mm dia DI K-7 pipe feeder main from water treatment plant to zone-IA to zone-19A, Jointing of its specials, fitting, etc. Including road cutting, reinstatement of road, testing, commissioning, trial run along with all necessary Appurtenant works for Firozabad reorganization water supply scheme (By Surface Water of Ganga Canal) under State programme (turnkey basis) of the value of ₹ 7,004.78 Lacs in Uttar Pradesh.
21. 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 33.59 Km and 600 mm dia PCCP Pipes for 2.29 Km of the value of ₹ 6,993.66 Lacs for Chalisgaon Municipal Council, Maharashtra.



25 Lakh Litre Capacity 20 Meters Staging Height Master Balancing Reservoir (MBR) at Chalisgaon Water Supply Scheme in Maharashtra



RCC Jackwell 10 meters dia in Girna Dam for Chalisgaon Water Supply Scheme in Maharashtra

22. 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 for Rural Water Supply & Sanitation Department, Medak District in Andhra Pradesh.
23. 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 150 mm/ 200 mm / 300 mm dia SWG pipes and 350 mm / 400 mm / 450 mm / 500 mm / 600 mm / 700 mm/ 800 mm / 900 mm / 1100 mm / 1200 mm / 1400 mm 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. Company's share is 50% i.e. ₹ 6,003.38 Lacs for HMWS&SB S. R. Nagar, Hyderabad, in Telangana.
24. Survey, Design & Construction of Intake Well, Raw Water Pump House, Raw Water VT pumps, Clear Water Pumps, providing & laying of raw & clear water pumping main and feeder main pipelines of 100 mm dia to 600 mm dia DI Pipes of 22,200 Mtrs and 110 to 200 mm dia HDPE pipes consisting of 1,67,986 Mtrs including construction of 15.85 MLD water treatment plant and allied works of the value of ₹ 4,529 Lacs for Chhindwara Water Supply Scheme, Chhindwara in Madhya Pradesh.
25. CPWS Scheme to over exploited mandals of Rajam constituency in Srikakulam district including HDPE pipeline, Infiltration well, Infiltration gallery, Sump, OHBR, EM works consisting of 350 mm to 450 mm dia BWSC pipes of the value of ₹ 4,515.77 Lacs for RWS&S Department, Srikakulam in Andhra Pradesh.
26. CPWS Scheme to Kothapeta and Ravulapalem Mandals in East Godavari District including AC, HDPE pipeline, WTP, Sump, OHBR, EM works consisting of 700 mm dia PSC and 600 mm dia PCCP pipes of the value of ₹ 4,456.76 Lacs for RWS&S Department, Kakinada in Andhra Pradesh.
27. Providing Sewerage Facilities in the areas under the Command of Ghitorni WWTP Covering Rangpuri Pahari, Nangal Dewat, Ghitorni Village, Ghitorni Extension and Ghitorni Enclave, New Delhi consisting of 280 mm to 710 mm dia HDPE/SW/RCC pipes of the value of ₹ 4,362.26 Lacs for Delhi Jal Board, New Delhi.





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

28. Integrated Taranagar Jhunjhunu-Sikar Khetri Water Supply Project – Rajasthan consisting supply of 250 to 700 mm dia BWSC pipes of the value of ₹ 4,262.16 Lacs for Larsen & Toubro Ltd. in Rajasthan.
29. S2E3 Drainage Project for manufacture, supply, laying, jointing & testing of RCC NP3 Class pipes from 1100 mm dia to 2200 mm dia for 3309 Mtrs of the value of ₹ 4,071.73 Lacs for Bangalore Water Supply & Sewerage Board, Bangalore in Karnataka.
30. Renovation of 7 Lift Irrigation Schemes from Km 70.80 to 80.20 and Km 164.20 on Nagarjunasagar Lal Bahadur Canal, T.S., India consisting of 500 mm to 1000 mm dia PSC pipes including Strengthening of Canals, Delivery cisterns, Electromechanical works of the Value of ₹ 4,064.19 Lacs for TDWSP Department, Miryalguda in Telangana.
31. S2C2 for manufacture, supply, laying, jointing & testing of RCC NP3 class pipes from 400 mm dia to 1200 mm dia for 6,786.50 Mtrs of the value of ₹ 4,060 Lacs for Bangalore Water Supply & Sewerage Board, Bangalore in Karnataka.
32. Construction of Approach Channel cum Collection chamber and pump house at Yellore Reservoir Segment in Mahabubnagar District in Telangana including Approach Channel, Collection Chamber, Pump House and WTP of the value of ₹ 3,882.29 Lacs for TDWSP Department, Mahabubnagar, Telangana.
33. S2E2 Drainage Project for manufacture, supply, laying, jointing & testing of RCC NP3 Class pipes from 400 mm dia to 2400 mm dia for 3,955.35 Mtrs of the value of ₹ 3,837.20 Lacs for Bangalore Water Supply & Sewerage Board, Bangalore in Karnataka.
34. S2C4 for manufacture, supply, laying, jointing & testing of RCC NP3 class pipes of 2200 mm dia for 1656.50 Mtrs and 100 mtrs length of MS pipes with Trenchless Technology of the value of ₹ 3,507.23 Lacs for Bangalore Water Supply & Sewerage Board, Bangalore in Karnataka.
35. Water treatment plant, overhead tank and intake well providing and laying of 100 to 500 mm dia DI pipes and 110 to 280 mm dia HDPE pipes of the value of ₹ 3,461.98 Lacs for WSS to Ganj Basoda Nagar Palika Parisad in Madhya Pradesh.
36. 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 for Sadasivapet WSIS - with Manjira river at Etigadda Sangam as source under UIDSSMT, Hyderabad in Telangana.
37. Comprise of excavation of 504 ML capacity balancing tank, 10 MLD capacity WTP, Jackwell & pumping machinery consisting of 1000 mm dia PCCP Pipeline for 9.72 Km of the value of ₹ 3,255.55 Lacs for Manmad Nagar Palika, Manmad in Maharashtra.
38. 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 for RWSS Department, Nalgonda in Telangana.
39. Supply of 250, 400 & 700 mm dia BWSC pipes of the value of ₹ 2,658.73 Lacs for PHED Shahpura Project, Rajasthan for Megha Engineering & Infrastructure Ltd.
40. Construction & Commissioning on turnkey basis of Vontimitta L.I. Scheme on foreshore of Somasila Reservoir near Kotapadu (V), in Vontimitta (M) of YSR District, consisting of 900 mm dia PSC pipes and Intake well, Jackwell cum pumphouse, Delivery cistern, EM works of the value of ₹ 2,645.33 Lacs for APSIDC, Kadappa in Andhra Pradesh.
41. Providing, laying, jointing, testing & commissioning of various diameter of HDPE/DI Pipes with all fittings, specials, interconnection and other appurtenant works etc. 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 ₹ 2,521.26 Lacs for Bhopal Municipal Corporation, Bhopal in Madhya Pradesh.
42. In addition to the above, 32 projects are progressing well amounting to ₹ 43,647.38 Lacs of the value less than ₹ 2,500 Lacs each at various locations in India.



900 mm dia PSC pipeline laying at Jupadu Banglow-2 Lift Irrigation Scheme in Telangana

### (iii) Some of the New Orders secured by the Company valued more than ₹ 1,000 Lacs each during the year are:-

1. From Superintending Engineer, TDWSP Circle, Nirmal for Providing Drinking Water to Balkonda, Armoor, Nizamabad, Kamareddy and part of Yellareddy Constituencies from SRSP Reservoir, Nizamabad District in Telangana consisting of 700 & 1000 mm dia PCC pipes, 450 to 600 mm dia BWSC Pipes and 1000 & 1400 mm dia MS pipes, 100 to 900 mm dia DI K7 & K9 pipes and 63 to 315 mm dia HDPE pipes, 60 MLD RSF, 40 MLD RSF, 22500 KL Sump, OHBR's, GLBR's, pumphouse, watchman qtrs including operation and maintenance for 10 years of the value of ₹ 81,530.80 Lacs
2. From Superintending Engineer, TDWSP Circle, Mahabubnagar for Providing of Drinking water to habitations in Gadwal and Alampur Constituencies from Jurala Project, Mahabubnagar District in Telangana under Segment-II consisting of 1200 mm dia MS pipes, 100 to 1000 mm dia DI K7 & K9 pipes and 63 to 315 mm dia HDPE pipes, 60 MLD RSF, 9000 KL Sump, OHBR's, GLBR's, pumphouse, watchman qtrs including operation and maintenance for 10 years of the value of ₹ 41,547.05 Lacs

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

3. From Commissioner, Municipal Corporation, Anantapuramu for Comprehensive Water Supply Improvements in Anantapuramu Municipal Corporation (Package-I) under Andhra Pradesh Municipal Development Project (APMDP) consisting of 100 to 400 mm dia DI pipes of the value of ₹ 14,736.24 Lacs.
  4. From The Addl. Chief Engineer, PHED, NCR Region, Alwar, Rajasthan for Alwar Water Supply Project, consisting of HDPE pipes including 16 Nos. Overhead Service Reservoirs & 15 Nos. Clear Water Reservoirs of the value of ₹ 14,515.12 Lacs.
  5. From Superintending Engineer, TDWSP Circle, Karimnagar in Telangana for Construction of Pumping Mains, Rapid Sand Filters, Sump, Pump House, Staff Quarters and Compound wall near to Yellampally Reservoir for Peddapally consisting of 800 mm dia MS pipes and 115 MLD RSF, 12500 KL Sump of the value of ₹ 7,929.19 Lacs
  6. From Superintending Engineer, X-Circle U.P. Jal Nigam, 4/4 Sanjay Place Agra U.P. for Survey, design, fixing of alignment, supply of all materials, labour, T&P etc. and do earth work, laying of 1200 mm dia BWSC pipe rising main from Nandpur Intake-cum-pump house to water treatment plant & laying of 350 to 1200 mm dia BWSC pipe, 150 mm dia to 800 mm dia DI K-7 pipe feeder main from water treatment plant to zone-IA to zone-19A, Jointing of its specials, fitting, etc. Including road cutting, reinstatement of road, testing, commissioning, trial run along with all necessary Appurtenant works for Firozabad reorganization water supply scheme (By Surface Water of Ganga Canal) Under State programme (turnkey basis) of the value of ₹ 7,004.78 Lacs.
  7. From Superintending Engineer, TDWSP Circle, Miryalguda in Telangana for Renovation of 7 Lift Irrigation Schemes from Km 70.80 to 80.20 and Km 164.20 on Nagarjunasagar Lal Bahadur Canal, T.S., India consisting of 500 mm to 1000 mm dia PSC pipes including Strengthening of Canals, Delivery cisterns, Electromechanical works of the Value of ₹ 4,064.19 Lacs.
  8. From Superintending Engineer, TDWSP Circle, Mahabubnagar for Construction of Approach Channel cum Collection chamber and pump house at Yellore reservoir Segment in Mahabubnagar District in Telangana including Approach Channel, Collection Chamber, Pump House and WTP of the value of ₹ 3,882.29 Lacs.
  9. From Superintending Engineer, APSIDC, Kadappa, for Construction & Commissioning on turnkey basis of Vontimitta L.I. Scheme on foreshore of Somasila Reservoir near Kotapadu (V), in Vontimitta (M) of YSR District in Andhra Pradesh consisting of 900 mm dia PSC pipes and Intake well, Jackwell cum pumphouse, Delivery cistern, EM works of the value of ₹ 2,645.33 Lacs.
  10. From Commissioner, Bhilai Charoda Municipal Corporation, Dist. Durg in Chhattisgarh for Clear Water Gravity Main consisting of 150 to 600 mm dia DI pipes of the value of ₹ 2,272.56 Lacs.
  11. From M/s Smartgen Infra Pvt. Ltd. (NCC) for Supply of 800 and 900 mm dia BWSC pipes to M/s NCC's project, "Providing drinking water to habitations in HMWSSB Warangal District, Telangana of the value of ₹ 2,208.59 Lacs.
  12. From Chief Municipal Officer, Municipal Council, Gotegaon, Madhya Pradesh for Gotegaon Water Supply Scheme, consisting of DI and HDPE Pipes including Intake Well, WTP, OHTS of the value of ₹ 2,004 Lacs.
  13. From M/s Smartgen Infra Pvt. Ltd. (NCC) for supply of 700 mm dia BWSC pipes to M/s NCC's Project, providing drinking water to habitations in HMWSSB Warangal District, Telangana of the value of ₹ 1,973.45 Lacs
  14. From M/s Megha Engineering & Infrastructures Limited, Balnagar, Hyderabad for Providing Lift Irrigation to Kandalaeru Reservoir Left Canal @ 260C/S to feed an I D Ayacut of 20,700 Acres from Low Level sluice at Km 7.550 to the Off take point of High level canal at Km 0.990 of K R Dam in SPSR Nellore District consisting of 1800 mm dia PSC pipes of the value of ₹ 1,941.76 Lacs.
  15. From Commissioner, Bhilai Charoda Municipal Corporation, Dist. Durg in Chhattisgarh for Distribution Network Zone-1, consisting of 200 to 400 mm dia DI pipes and 110 to 1880 mm dia HDPE pipes of the value of ₹ 1,900.08 Lacs.
  16. From NCCL, Hyderabad for Sheo Ramsar Water Supply Scheme, in the District of Barmer, Rajasthan consisting of 250 to 400 mm dia DI and HDPE Pipes including of the value of ₹ 1,810.78 Lacs.
  17. From Commissioner, Bhilai Charoda Municipal Corporation, Dist. Durg in Chhattisgarh for Raw Water Pumping Main, consisting of 600 mm dia DI pipes of the value of ₹ 1,427.08 Lacs.
  18. In addition to the above we have secured 18 orders amounting to ₹ 6,636.59 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 15,036 sleepers amounting to ₹ 238.92 Lacs against the order received from Ministry of Railway, Railway Board, New Delhi.
- (C) Bar Wrapped Steel Cylinder (BWSC) Pipes/Prestressed Concrete Cylinder Pipes (PCCP):**
- The BWSC and PCCP pipes introduced by the Company as an alternative pipe materials to M.S. and D.I. pipes have 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 in Telangana, Chilamathur in Andhra Pradesh and Dhule in Maharashtra. These plants are running continuously with better productivity yields. In addition to the above the Company has also created facilities to manufacture these pipes in its existing factories at Miraj, Rajkot, Kanhan, Pattencheru, Yelhanka, Thanjavur, Kekri, Sikar, Karari and Kovvur to cater the local demands. During the year under review, these plants produced 238.58 Km of BWSC pipes valued at ₹ 10,854.00 Lacs.
- During the year the Company has received orders worth ₹ 15,354.87 Lacs for BWSC pipes, orders worth ₹ 6,968.92 Lacs for PSC pipes and orders worth ₹ 1,650.46 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 0.177 Air Compressed Rifles and 0.177 Air Compressed Pistols introduced by Company's National Rifle Division has increased as their performance has been satisfactory. The Shooters participating in shooting competitions have secured Gold and Silver Medals. They



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

have appreciated performance of the Company's Compressed Air Pistol and commended the Company for bringing a quality product first time in India. As the shooting sport is gaining popularity, many Private Shooting clubs and Associations are placing orders.

### 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 keeping pace with 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 numbers 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 supply 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 work 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, PVC Pipes, HDPE and Spirally Welded Steel pipes is existing and can affect Company's business prospects.

In the first 3 quarters of the year under review, due to lack of demand and availability of imported steel at attractive prices, the prices of major raw materials viz. Steel, PVC Pipes, HDPE Pipes, DI Pipes saw downward trend.

In the last quarter of the year under review, due to imposition of minimum import price policy on imported steel products by the Central Govt. the prices of imported steel became costly compared to local products. Taking benefit of this the domestic manufacturers exorbitantly increased prices of steel and created shortage of material in the market by curtailing production.

Due to rising price trend of Crude Oil in international Market, PVC & HDPE Pipes became costlier in the last quarter of the year. Telangana Water Grid Project started in January, 2016 and suddenly there was a heavy demand for DI Pipes, HDPE Pipes & Cement. Due to demand – supply gap, prices of these products have gone up sharply. The rise in prices of key raw materials will reduce margin and can affect Company's business prospects.

### 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 2016, the revenue from operations of the Company was ₹ 93,893.91 Lacs as compared to last year's revenue from operations of ₹ 1,00,985.93 Lacs.

The profit before tax is ₹ 4,485.49 Lacs as against ₹ 6,196.73 Lacs achieved last year. The order book position is ₹ 3,097 Crores as of date as compared to ₹ 2,003 Crores in the corresponding period of last year.

### 8. Human Resources and Industrial Relations:

The Company has total strength of 1,250 permanent employees as on 31st March, 2016 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 its factories at Miraj, Sikar, Kovvur & Kekri.

During the year Company had organised training programmes on Industrial Safety, Health, Good Housekeeping for its workers/ employees at Dhule, Miraj & Sikar. The Company had also organised safety awareness training programmes at project sites situated in the vicinity of Pune, New Delhi, Deharadun and in the state of Haryana which created awareness about safety, health and importance of good housekeeping amongst the employees working with us and the contractors.

Further the Company had also organised Training Programmes at its R&D Divn., Mumbai and at Chennai for Engineers who joined recently at Bhopal, Jaipur, Raipur and at Chennai to apprise them about Company's policies and procedures, products being manufactured and how pipe laying work being carried out at project sites. Similar programme was also organised at Hyderabad for the Engineers who joined in the states of Andhra Pradesh and Telangana.

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

### 9. 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 States / 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, litigations, labour relations and interest costs, etc.

For and on behalf of the Board of Directors,

Place : Mumbai  
Dated : 19<sup>th</sup> May, 2016

**Rajas R. Doshi**  
Chairman & Managing Director

## 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 Financial Statement of Accounts for the Financial Year ended 31st March, 2016.

### FINANCIAL RESULTS:

	(₹ in Lacs)	
	Year Ended 31-03-2016	Year Ended 31-03-2015
<b>Revenue from Operations</b>	<b>93,893.91</b>	1,00,985.93
<b>Profit Before Finance Cost, Depreciation &amp; Amortisation &amp; Tax</b>	<b>9,991.94</b>	12,239.49
Less : Finance Costs	<b>4,526.05</b>	4,829.55
Depreciation & Amortisation	<b>980.40</b>	1,213.21
<b>Profit Before Tax</b>	<b>4,485.49</b>	6196.73
Less : Provision for Taxation	<b>1,575.52</b>	2,040.00
<b>Net Profit After Tax</b>	<b>2,909.97</b>	4,156.73
Add : Balance Brought Forward from last year	<b>14,922.11</b>	12,640.05
<b>Surplus available for appropriation</b>	<b>17,832.08</b>	16,796.78
Less : i) Interim Dividend	<b>775.15</b>	-
ii) Final Dividend (Proposed)	-	726.71
iii) Tax on Dividend	<b>157.80</b>	147.96
iv) General Reserve	<b>1,000.00</b>	1,000.00
	<b>1,932.95</b>	1,874.67
Surplus Carried to Balance Sheet	<b>15,899.13</b>	14,922.11

### 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 gone down by 7.02% to ₹ 93,893.91 as compared to ₹ 1,00,985.93 Lacs of the previous year. The profit after tax for the year at ₹ 2,909.97 was lower by 29.99% as compared to ₹ 4,156.73 Lacs of the previous year.

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company.

### DIVIDEND:

The Board of Directors of the Company at their meeting held on 11th March, 2016 have declared an aggregate interim dividend of ₹ 3.20 per share (160%) for the financial year ending 31st March, 2016 i.e. (i) Interim Dividend at the rate of ₹ 3.00 (150%) per equity share of ₹ 2/- each and (ii) an Additional Dividend on account of 90th Anniversary of the Company at the rate of ₹ 0.20 (10%) per equity share of ₹ 2/- each. The Interim Dividend was paid to the shareholders on 28th March, 2016.

The interim dividend together with the dividend tax amounted to ₹ 932.95 Lacs.

Your Directors do not recommend any Final Dividend for the year ended 31st March, 2016 and the aforesaid payment of Interim Dividend be treated as Final Dividend. Dividend of ₹ 3/- per equity share was paid for the financial year ended 31st March, 2015.

### TRANSFER TO RESERVES:

The Company proposes to transfer ₹ 1,000 Lacs to General Reserve out of the amount available for appropriation and an amount of ₹ 15,899.13 Lacs is proposed to be retained and carried to Balance Sheet.

### FINANCE:

During the year under review, liquidity position of your Company was maintained satisfactorily and optimum utilization of financial resources was achieved. Lower budgetary allocation of funds by some State Governments coupled with slow realization of funds in some projects increased level of borrowings marginally. However, due to better negotiations of pricing with the lenders, replacement of high interest bearing mobilisation advances with non-interest bearing mobilisation advance, the Company could reduce effective cost of borrowings. The Company has been prompt in meeting obligations towards its Bankers and other trade creditors.

### INCOME TAX ASSESSMENT:

The Income Tax assessment of your Company has been completed till Assessment Year 2013-14. The appeals filed by your Company, against



## DIRECTORS' REPORT

the assessment orders for various financial years are pending with the Income Tax Appellate Authorities and Bombay High Court. The amount of disallowance involved in various appeals is ₹ 12,879.53 Lacs. The major dispute is with regard to the execution of eligible infrastructure projects of water, sewerage and irrigation. Out of the total disallowance the amount of ₹ 12,467.92 Lacs pertains to the disallowance made u/s 80IA of the Income Tax Act, 1961. The balance amount of ₹ 411.61 Lacs pertains to other items of disallowance such as Section 14A disallowance, land valuation of Wadala property, commission expenses and purchase expenses etc. The necessary provision for tax of ₹ 4,339.18 Lacs has been made in accounts except for the disallowance made u/s 14A, as the same disallowance has been deleted in the previous years by the First and Second Appellate Authority.

The appeals filed by the Income Tax Department are pending in the Bombay High Court for Assessment Year 2003-04, 2008-09 & 2010-11. The issue involved for Assessment Year 2003-04 pertain to the deduction u/s 80IA allowed by the Income Tax Appellate Tribunal, amounting to ₹ 1,068.27 Lacs. However due to subsequent retrospective amendment made to Section 80IA by Finance Act, 2009, as an abundant caution provision for the basic tax liability of ₹ 392.59 Lacs on the claim of ₹ 1,068.27 Lacs has been made in the accounts. Hence there is no tax liability. The issue involved for the Assessment Year 2008-09 & 2010-11 is with regard to the claim of disallowance of expenses u/s 14A of the Income Tax Act, 1961. The Income Tax Appellate Tribunal had deleted the disallowance made u/s 14A of the Income Tax Act, 1961. In case if this disallowance is confirmed by the Bombay High Court then your Company will have to make provision of tax of ₹ 31.78 Lacs.

### FACTORIES:

The total number of factories of the Company as at the end of the year stands at 22. During the year the Company has permanently closed Vadgaon factory at Pune.

### DEVELOPMENT OF LAND:

- (i) Hadapsar: The Company has executed Development Agreement with M/s. Dosti Realty Ltd., the Developer for developing the Company's Hadapsar land at Pune admeasuring 48,288 sq. mtrs. M/s. Dosti Realty Limited will develop the land at their cost mainly for residential and / or commercial purpose.
- (ii) Wadala: The Company has executed Agreements with M/s. Dosti Realty Ltd., the Developer for developing the Company's Wadala land admeasuring about 8,442.37 sq. mtrs and 5,627.96 sq. mtrs under Phase I and Phase II respectively, under SRA Scheme(s) at their cost.
- (iii) Badarpur: The Company has executed a Memorandum of Understanding with M/s. Sobha Limited, the Developer for developing the Company's Badarpur land at Delhi admeasuring about 27,504 sq. mtrs. M/s. Sobha Limited will develop the land for residential purpose at their cost. On getting all the permissions, approvals and sanctions from the concerned authorities the Company will enter into Development Agreement(s) with M/s. Sobha Limited.

### CORPORATE GOVERNANCE:

The Company has implemented procedures and adopted practices in conformity with the code of Corporate Governance under the erstwhile Listing Agreement with the Stock Exchanges up to 30th November, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) w.e.f.1st December, 2015. The Company has implemented Code of Conduct for all its Executive Directors and Senior Management Personnel, Non-Executive Non-Independent Directors and Independent Directors, 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:

The Company had terminated its Fixed Deposits Schemes w.e.f. 28th July, 2009 and stopped accepting / renewing deposits since then. Accordingly, the Company has repaid all those deposits together with interest thereon as and when they matured on their respective due dates on fixed deposit holders claiming the same.

An aggregate amount of ₹ 1.05 Lacs representing 5 fixed deposits had matured, the last one being matured in February, 2012 and all these 5 fixed deposits remained unclaimed as at 31st March, 2016. Since then, no instructions for repayment of any of these matured fixed deposits have been received.

### PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES:

Details of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements.

### CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Policy of the Company and the CSR programs/activities undertaken during the financial year 2015-16 are set out in "Annexure A" and forms part of the Directors' Report. For other details of the CSR Committee, please refer to Corporate Governance Report which forms part of this report. The policy is available on the website of the Company [www.indianhumepipe.com](http://www.indianhumepipe.com)

In accordance with Section 135 of the Companies Act 2013 and the Rules thereunder the Company has incurred CSR expenditure of ₹ 89 Lacs for the financial year 2015-16 by way of corpus donation to Ratanchand Hirachand Foundation which had carried out CSR activities on behalf of Company as set out in Annexure A.

### DONATIONS:

In addition to the above CSR expenditure, the Company has given following donations:

- ₹ 10 Lacs to Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation.
- ₹ 3.25 Lacs to Rotary Foundation, Charitable Organisation.

### RISK MANAGEMENT:

The Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Company has a Risk Management Policy to identify, evaluate, monitor and mitigate risks. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

### INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company has an Internal Audit Department headed by Chief Internal Auditor. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, management undertake corrective action in their respective areas and there by strengthen the controls.

## DIRECTORS' REPORT

### INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements.

### VIGIL MECHANISM:

The Company has Vigil Mechanism administered by the Audit Committee. The Vigil Mechanism is posted on the Company's website.

### CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business during the year under review.

### SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS/ TRIBUNALS, IF ANY:

There are no significant material orders passed by the Regulators/Courts/ Tribunals which would impact the going concern status of your Company and its future operations.

### DIRECTORS:

Pursuant to the provisions of Section 149 of the Act, Mr. Ajit Gulabchad, Mr. Rajendra M. Gandhi, Mr. Rameshwar D. Sarda, Mr. Vijay Kumar Jatia, Mr. N. Balakrishnan and Mr. P. D. Kelkar were appointed as Independent Directors at the Annual General Meeting (AGM) of the Company held on 25th July, 2014 and 4th August, 2015 respectively. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are - Mr. Rajas R. Doshi, Chairman & Managing Director, Mr. Mayur R. Doshi, Executive Director, Mr. M. S. Rajadhyaksha, Chief Financial Officer and Mr. S. M. Mandke, Company Secretary.

Remuneration and other details of the Key Managerial Personnel of the Company for the financial year ended 31st March, 2016 are mentioned in the Extract of the Annual Return which is attached to the Directors' Report.

As per Section 152 of the Companies Act, 2013, Mr. Mayur R. Doshi, Executive Director of the Company, retire by rotation at the ensuing AGM and offers himself for re-appointment. The Board of Directors on the recommendation of Nomination and Remuneration Committee have re-appointed Mr Mayur R. Doshi as Executive Director of the Company w.e.f. 1st April, 2016 to 30th June, 2019. The terms of re-appointment and remuneration of Mr. Mayur R. Doshi is being placed before the shareholders for approval at the ensuing AGM of the Company.

Profile of Mr. Mayur R. Doshi is given in the explanatory statement of the notice of AGM of the Company.

Mr. Rajas R. Doshi, Chairman & Managing Director and Mr. Mayur R. Doshi, Executive Director are Directors of IHP Finvest Limited (the Holding Company). Further Mr. Rajas R. Doshi is the Chairman and Mr. Mayur R. Doshi is the member of Stakeholders Relationship Committee of the Holding Company. They are also Directors of Ratanchand Investment Private Limited (the Ultimate Holding Company). During the year they have received sitting fees of ₹ 90,000/- each from IHP Finvest Limited for attending meetings of Board and sitting fees of ₹ 15,000/- each for attending meeting of Stakeholders Relationship Committee respectively. Further they have also received sitting fees of ₹ 6,000/- & ₹ 5,000/- each respectively from Ratanchand Investment Private Limited for attending meetings of Board.

### BOARD COMMITTEES:

The Board of Directors of your Company had already constituted various Committees and approved their terms of reference/role in compliance with the provisions of the Companies Act, 2013 and Listing Agreement (applicable upto November 30, 2015)/ SEBI Listing Regulations (applicable from December 1, 2015) viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee and Risk Management Committee.

### PERFORMANCE EVALUATION:

Pursuant to the provisions of Section 134(3)(p), 149(8) and Schedule IV of the Companies Act, 2013 and erstwhile Listing Agreement/ Listing Regulations, annual Performance Evaluation of the Board as well as of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR and Risk Management Committees and individual Directors have been carried out by the Board.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman, Non-Independent Directors and Board was carried out by the Independent Directors.

### INDEPENDENT DIRECTORS' MEETING:

In terms of Section 149, Schedule IV of the Companies Act, 2013 and erstwhile Clause 49 of the Listing Agreement, the Independent Directors met on 3rd March, 2016 without the attendance of Non-Independent Directors and Members of Management of the Company and reviewed the:

- i) performance of Non-Independent Directors and the Board of Directors of the Company as a whole;
- ii) performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors;
- iii) assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

### FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS:

In compliance with the requirements of SEBI Listing Regulations, the Company has put in place a familiarization program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc.

The details of the familiarization program are explained in the Corporate Governance Report and the same is also available on the website of the Company.

### REMUNERATION POLICY:

The Board on the recommendation of the Nomination & Remuneration Committee had framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is annexed as "Annexure B".

### NUMBER OF MEETINGS:

Annual programme of Board and Committee meetings is circulated in advance to the Directors.



## DIRECTORS' REPORT

During the year six Board meetings were held i.e. on 7th May, 2015, 28th May, 2015, 4th August, 2015, 28th October, 2015, 29th January, 2016 and 11th March, 2016. Five Audit Committee meetings were held i.e. on 28th May, 2015, 4th August, 2015, 28th October, 2015, 29th January, 2016 and 11th March, 2016.

The Composition of Audit Committee is as under:

Sr. No.	Name of the Members	Category
1	Mr. Rajendra M. Gandhi	Chairman
2	Mr. Rameshwar D. Sarda	Member
3	Mr. Vijay Kumar Jatia	Member
4	Mr. P. D. Kelkar	Member

Further two meetings of Nomination & Remuneration Committee, one meeting of Stakeholders Relationship Committee and two meetings of Corporate Social Responsibility Committee were held, the details of which are given in the Corporate Governance Report. The maximum time gap between any two consecutive meetings of the Board did not exceed one hundred and twenty days.

### DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, the Directors state that:

- in the preparation of the Annual Accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2016 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis;
- internal financial controls have been laid down for the Company and that such internal financial controls are adequate and are operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

### AUDITORS' REPORT:

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended 31st March, 2016 does not contain any qualification, reservation or adverse remark.

### AUDITORS:

### STATUTORY AUDITORS:

At the 89th AGM of the Company held on 4th August, 2015 the Shareholders of the Company had re-appointed M/s. K. S. Aiyar & Co. Chartered Accountants, Mumbai bearing ICAI Registration No.100186W as Statutory Auditors of the Company for the financial year 2015-16 and 2016-17, until the conclusion of the Ninety-First AGM of the Company to be held in 2017, subject to ratification of their appointment at every AGM.

### COST AUDITOR:

The Board of Directors have appointed Mr. Vikas Vinayak Deodhar, Cost Accountant, Mumbai, Membership No. 3813 as Cost Auditor of the Company for the financial year 2016-17 to conduct the audit of the cost records of applicable business of the Company on a remuneration of ₹ 1,20,000/- plus reimbursement of out of pocket expenses and/or travelling expenses as may be incurred by him and Service Tax as applicable, subject to ratification and confirmation by the shareholders at the ensuing AGM.

### SECRETARIAL AUDIT:

Secretarial Audit for the financial year 2015-16 was conducted by M/s. J. H. Ranade & Associates, Company Secretaries, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of the Secretarial Auditor is annexed as "Annexure C". There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in their Report.

### AWARDS / RECOGNITION:

The Company was selected by Construction World (CW) Magazine, the largest circulated Construction Business Magazine in India and Gulf as one of 15 Construction Companies which managed to confront and surpass the challenges and make it to the Construction Worlds list of "India's Top Challengers 2014-15" for the second consecutive year.

Mr. Mayur R. Doshi, Executive Director of the Company received the award on behalf of the Company at the 13th Construction World Annual Awards 2015, in an Award ceremony held in Mumbai.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as "Annexure D".

### RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business except the transaction(s) with Ms. Anima B. Kapadia, Director and Sole Proprietor of Daphtary Ferreira & Divan, Solicitors and Advocates of the Company who is rendering legal services to the Company which was approved by the Audit Committee and Board. The details are given in Form AOC-2 is annexed as "Annexure E". There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, their relatives which may have a potential conflict with the interest of the Company at large.

All Related Party transactions are placed before the Audit Committee as also the Board for approval. A statement of all related party transactions was presented before the Audit Committee on quarterly basis, specifying the nature, value and any other related terms and conditions of the transactions. Further details of the transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standards. The Company has a Related Party Transaction Policy for identifying, monitoring and approving of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

## DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure F".

### PARTICULARS OF EMPLOYEES:

The information required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure G". The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

### INDUSTRIAL RELATIONS:

The Company is having total strength of 1,250 permanent employees as on 31st March, 2016 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.

### VIGIL MECHANISM POLICY:

The Company has a Vigil Mechanism policy which is uploaded on the website of the Company at [www.indianhumepipe.com](http://www.indianhumepipe.com)

### PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:

During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Your Company has, during the year under review, transferred a sum of ₹ 3,78,819/- towards unclaimed dividend for the financial year 2007-08 and unclaimed interest of ₹ 58,778.14 on fixed deposits to Investor Education and Protection Fund, in compliance with the provisions of Section 205C of the Companies Act, 1956, which remained unclaimed by the members/fixed deposit holders of the Company for a period of 7 years from the date they became due for payment.

### GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company.

The Company does not have ESOS/ESOP Scheme for its employees/ Directors.

### ACKNOWLEDGEMENTS:

Your Directors record their gratitude to the Shareholders, Customers, Bankers, Government Departments, Vendors and Sub-contractors and all other Stakeholders 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, 2<sup>nd</sup> floor,  
5, Walchand Hirachand Road,  
Ballard Estate, Mumbai - 400 001

Date : 19<sup>th</sup> May, 2016





# ANNEXURE TO DIRECTORS' REPORT

## ANNEXURE 'A' TO DIRECTORS' REPORT

### Format of Reporting of CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**1. A brief outline of the Company's CSR policy, including overview of projects/ programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

IHP CSR Policy aims at implementing its CSR activities in accordance with Section 135 of the Companies Act, 2013 and rules thereunder. The CSR committee shall periodically review the implementation of CSR Policy.

**Focus Areas:**

**Health & Medical aid:** The Company will promote various initiatives to support health and preventive health care including medical aid in the community.

**Education:** The Company will give grants to the needy students in the field of education to enhance employability and well being of the community.

**Environment:** The Company will promote environmental sustainability and conservation of natural resources.

The Company's CSR projects or programs or activities will be identified and implemented according to the Board's approved CSR policy.

The expenditure on the CSR will be approved by the CSR committee and the Report will be published annually. The CSR policy has been approved by the Board and the same is disclosed on the Company's website. Weblink:

[http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate\\_Governance/CSR%20Policy.pdf](http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/CSR%20Policy.pdf)

**2. Composition of the CSR Committee:**

Mr. Rajas R. Doshi, Chairman & Managing Director - Chairman

Ms. Jyoti R. Doshi, Non-Executive Director - Member

Mr. Rameshwar D. Sarda, Independent Director - Member

**3. Average net profit of the Company for last three financial years:**

Average net profit : ₹ 44.18 Crores.

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

The Company is required to spend ₹ 89 Lacs towards CSR.

**5. Details of CSR spent during the financial year:**

a. Total amount spent by the Company during the financial year: ₹ 89 Lacs by way of corpus donation to Ratanchand Hirachand Foundation (RHF) for carrying out CSR activities on behalf of the Company.

b. Amount unspent, if any: Nil

c. **Manner in which the amount spent during the financial year is detailed below:**

**Corporate Social Responsibility (CSR) Activities:**

During the year the Company has given corpus donation of ₹ 89 Lacs which is 2% of average net profit of the Company in terms of Section 135 and the rules thereunder of the Companies Act, 2013 to the RHF to carry out CSR activities and incur CSR expenditure for and on behalf of the Company in terms of Company's CSR Policy.

1. One No. Kari Storz make-C-Mac Videloaryngoscope machine with D-Blade, Mac blade and Monitor installed at Tata Memorial Hospital Mumbai, Department of Anaesthesia, Critical Care & pain, at a total cost of ₹ 10.00 Lacs which vastly improves the view of the larynx and makes insertion of the tube much easier and safer for the benefit of cancer patients.

2. One No. Allengers HF - 49 R / PS 100 High Frequency (40 KHZ) Mobile C-ARM with Rotating Anode X-Ray Tube/9" Image Intensifier, 100F Digital Image Memory / 2 Nos. 17" LCD Monitors with accessories donated to Government Kilpauk Medical College in Chennai to be used in their Orthopaedic Department, at a total cost of ₹ 8.40 Lacs for the benefit of general public especially weaker sections of the society.



Allengers HF - 49R / PS 100 High Frequency (40 KHZ) Mobile C-ARM with accessories used in Orthopedic Department in Government Kilpauk Medical College, Chennai, Tamilnadu

3. One No. REMI make Platelet Incubator-Microprocessor Controller, preset Temperature at 22 degree with Temperature chart, Model PL-10 Ultra with Accessories donated to Dr. Hegdewar Raktpedhi Sanstha, Solapur at a total cost of ₹ 2.84 Lacs. This machine will increase the Blood storage capacity of the Raktapedhi and will be helpful to serve for more needy patients.



REMI make Platelet Incubator-Microprocessor Controller with Accessories used in Dr. Hegdewar Raktpedhi Sanstha, Solapur, Maharashtra

4. An amount of ₹ 2.50 Lacs paid to Pradhan Eye Hospital, Solapur, towards the cost of 100 patients / beneficiaries to Eye Camp for free Cataract Surgery – IOL Implantation.

## DIRECTORS' REPORT



Eye Camp for free Cataract Surgery IOL Implantation in association with Pradhan Eye Hospital, Solapur, Maharashtra

5. RHF had funded ₹ 1.01 Lacs towards the salary of the nurse working in Human Milk Bank in LTMG Hospital, Sion, Mumbai.

Similarly, the RHF had donated :

- ₹ 2.00 Lacs to Kushtarog Niwaran Samiti, Shantivan for its "Help a child programme" for Adivasi Ashram School, towards education expenses for 100 students.
- ₹ 1.06 Lacs to Kushtarog Niwaran Samiti, Shantivan towards purchase of 30 Benches for 1st to 6th standard students of Adivasi Ashram School at Shantivan.
- ₹ 7.50 Lacs to Akshay Patra Foundation, Bangalore towards the Mid-day meal programme for 1,000 children for one year.
- ₹ 12.00 Lacs to Backward Class Girls Hostel, Solapur for restoration and renovation of hall to be utilised by the girls as library and for other activities like Abhyasika, support class, conducting workshops and vocational classes etc.
- ₹ 1.80 Lacs to Society for Rehabilitation of Crippled Children Citi Academy for Special Children towards education expenses for two children for one year under their scheme "Sponsor a Child".

In all, RHF had donated / spent ₹ 49,40,506/- towards above charitable purposes/activities during the financial year under review.

Manner in which the amount spent during the financial year ended 31st March, 2016 is detailed below.

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads 1) Direct expenditure on projects or programs 2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent : Direct or through implementing agency	
							Direct (₹)	Through Implementing Agency* (₹)
1.	Health Medical Aid	Medical aid / Health - Eye camp	} As stated above	N.A.	} 89,00,000.00 Overheads: Nil	89,00,000.00	-	89,00,000.00
2.	Education	Education grants					-	-
<b>TOTAL (₹)</b>					<b>89,00,000.00</b>	<b>89,00,000.00</b>	-	<b>89,00,000.00</b>

\* The Company has incurred CSR expenditure of ₹ 89 Lacs for the financial year 2015-16 by way of donation to the corpus of Ratanchand Hirachand Foundation (RHF), the Implementing Agency. RHF has carried out above CSR activities on behalf of the Company.

### RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Company is re-produced below:

The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with the CSR objectives and policy of the Company.

**RAJAS R. DOSHI**

Chairman & Managing Director & Chairman of the CSR Committee

### Registered Office:

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

Date : 19<sup>th</sup> May, 2016



## ANNEXURE TO DIRECTORS' REPORT

### CSR POLICY

(Approved by the Board of Directors on 12th November, 2014)

#### CSR Policy:-

##### Introduction:-

A. In line with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Schedule VII to the Act, the Company has formulated its Corporate Social Responsibility Policy (CSR Policy) for continuing its charitable activities. The Company intends to undertake its CSR activities, programmes etc. through Ratanchand Hirachand Foundation (the Foundation) and / or any other Trust / Section 8 Company and/ or on its own. The Company's CSR activities are independent of the normal conduct of its business. The CSR programs, projects and activities to be carried out in this regard by the Company through Ratanchand Hirachand Foundation and / or any other Trust / Section 8 Company and / or on its own are enumerated as under:

- B.
1. Providing educational grant / aid to needy students and institutions, funding salaries of teachers, medical aid to the patients as well as to Hospitals, Charitable Trusts, Institutions, NGOs and donations of costly medical equipments to Municipal / Public Hospitals across the country.
  2. Promoting education including special education and employment enhancement, vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects.
  3. Promoting preventive health care, safe drinking water, sanitation etc.
  4. Ensuring environmental sustainability, ecological balance and conservation of natural resources, use of solar energy, rain water harvesting etc.
  5. Undertaking all other activities, projects and programs as per Section 135, Companies (CSR) Rules, 2014 and the Schedule VII of the Act as amended from time to time.

The CSR Committee and the Board of Directors will monitor the programs / projects and activities undertaken through the above Foundation on behalf of the Company and / or on its own. Further the surplus arising out of the CSR programs or projects or activities shall not form part of the business profit of the Company.

- C.
1. The CSR activities does not include the activities undertaken in pursuance of normal course of business of the Company.
  2. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
  3. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.
  4. Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

D. Expenditure:-

CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee in line with the activities, programs and projects within the purview of the Act, Rules thereon and the Schedule VII. A specific budget would be allocated to the projects to be undertaken for each financial year. These projects / activities will include educational grants / aid, preventive health care, financial aid to patients, donations of costly medical equipments to Municipal / Public Hospitals. Further established Trusts, Institutions, NGOs etc. may be given donation, financial aids, support for undertaking CSR activities after taking into consideration various key parameters like their credibility, capacity, past performances, established track records, etc. The Company would endeavour to spend in every financial year atleast 2% of the average net profit through the Foundation.

E. Reporting:-

The Board's report will include all activities, programs and projects on CSR containing particulars specified in the Annexure to the said CSR Rules, 2014.

F. Management Commitment:-

The Board of Directors, Management and all the employees would subscribe to the philosophy of concern and care. We believe that we have a mission to walk on the path of generosity and compassion in order to make a difference in the lives of the poor and society at large. This would be the cornerstone of our CSR Policy.

G. Display of CSR activities on Company's website:-

The Company will disclose contents of its CSR Policy in the Annual Report and also display it on the website of the Company.

## ANNEXURE 'B' TO DIRECTORS' REPORT

### Remuneration Policy of the Company

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three Non-Executive Independent Directors and one Non-Executive Non-Independent Director as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on, 27th May, 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee" and re-constituted the Committee with three Non-Executive Independent Directors and one non-executive Non-Independent Director as Members of the Committee.

The present composition of the "Nomination and Remuneration Committee" of the Company is as below:-

1)	Mr. N. Balakrishnan	Chairman	Independent Director
2)	Ms. Anima B. Kapadia	Member	Non-Independent Director
3)	Mr. Vijay Kumar Jatia	Member	Independent Director
4)	Mr. Rajendra M. Gandhi	Member	Independent Director
5)	Mr. Rajas R. Doshi	Member	Non-Independent Director

## ANNEXURE TO DIRECTORS' REPORT

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and erstwhile Clause 49 of the Listing Agreement.

### II. OBJECTIVE

The key objectives of the Committee would be:

- a) To guide the Board, in relation to the appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- d) To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### III. DEFINITIONS

- "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- "Board" means Board of Directors of the Company.
- "Company" means "The Indian Hume Pipe Company Limited."
- "Directors" mean Directors of the Company.
- "Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" means:
  - (i) Chief Executive Officer or the Managing Director or the Manager,
  - (ii) Company Secretary,
  - (iii) Whole-time Director,
  - (iv) Chief Financial Officer and
  - (v) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the erstwhile Listing Agreement.
- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all the functional heads.

### IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, erstwhile Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

### V. GUIDING PRINCIPLES

The Policy ensures that

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

### VI. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To recommend to the Board the appointment and removal of Directors and Senior Management.
- d) To carry out evaluation of every Director's performance.
- e) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- f) To recommend to the Board policy relating to remuneration for Directors, KMP and Senior Management.
- g) To devise a policy on Board diversity.
- h) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

### VII. MEMBERSHIP

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.



## ANNEXURE TO DIRECTORS' REPORT

- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

### VIII. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the AGM or may nominate some other member to answer the shareholders' queries.

### IX. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such intervals as may be required.

### X. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### XI. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

#### Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### Term / Tenure:

1. Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director :

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

#### Evaluation :

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

#### Removal :

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

#### Retirement :

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

#### General :

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will

## ANNEXURE TO DIRECTORS' REPORT

be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013 and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay :

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P. F. pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration :

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration :

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission :

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Sitting Fees :

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration / Commission :

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### XIV. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

### XV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

## ANNEXURE 'C' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2016

#### Form No.MR-3

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

To,  
The Members,  
The Indian Hume Pipe Company Limited  
Construction House, Walchand Hirachand Marg,  
Ballard Estate, Fort, Mumbai-400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Indian Hume Pipe Company Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:



## ANNEXURE TO DIRECTORS' REPORT

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during audit period)

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Effective 28th October 2014); (Not applicable to the Company during audit period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during audit period)  
and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during audit period)

- vi. There are no laws which specifically apply to the type of activities undertaken by the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (not applicable as not notified during the period under review).
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

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

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that

took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreement.

Adequate notice of atleast seven days is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

For J. H. Ranade & Associates  
Company Secretaries

J. H. Ranade  
(Proprietor)

Place : Thane  
Date : 19<sup>th</sup> May, 2016

FCS: 4317, CP: 2520

### ANNEXURE 'C' TO DIRECTORS' REPORT

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2016

##### (Appointment and Remuneration Personnel) Rules, 2014

To,  
The Members,  
The Indian Hume Pipe Company Limited  
Construction House, Walchand Hirachand Marg,  
Ballard Estate, Fort, Mumbai 400001

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

##### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

##### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

##### Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J. H. Ranade & Associates  
Company Secretaries

J. H. Ranade  
(Proprietor)

Place : Thane  
Date : 19<sup>th</sup> May, 2016

FCS: 4317, CP: 2520

# ANNEXURE TO DIRECTORS' REPORT

## ANNEXURE 'D' TO DIRECTORS' REPORT

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

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. CONSERVATION OF ENERGY:

- (i). The Steps Taken or impact on conservation of Energy :-
- 300 KVA Servo Controlled voltage stabilizer installed at IHP Karari factory.
  - Reduces electricity consumption.
  - Generator is not required to run at high and low voltages, it saves diesel cost.
  - Better efficiency and reduce the production losses
  - Protects the electrical equipments from hazard of voltage fluctuation and reduce the maintenance cost.
  - Automatically corrects voltage and giving constant voltage.
  - Increases productivity.

Installed APFC panel board at IHP Patancheru and IHP Choutuppal factory.

- Avoids power factor penalty
- Reduces maximum Demand
- Increases system capacity and reducing the losses.
- Improve the System Voltages.

Installed 25 HP Capacity VFD Unit for Moulding Mixer instead of Slip ring Motor at IHP Choutuppal factory

- Energy saving
- Controlling the starting current
- Improves the Motor and mechanical components life.
- Reduces the maintenance cost.
- No starter required.
- Easily adjustable operating speed.

Installed High Efficiency Motors (EFF1) at brush coating machine in Sikar factory on trial basis.

- Improve the motor life and reduces the maintenance cost
- Energy saving
- Low noise and Vibration
- Operating temperature is less.

Installed Aircosaver unit for Air conditioner at H.O and R&D.

- Energy saving

- (ii) The Steps taken by the company for utilizing alternate source of energy :-

- Solar streets lights are being used in Our Dhule factory.

- (iii) The Capital investment on energy conservation equipments :-

- Installation of 300 KVA Servo Control Voltage Stabilizer ₹ 4,96,868/-
- Installation of APFC Panel Board ₹ 4,68,600/-
- Installation of High efficiency Motors (Eff1) ₹ 35,088/-
- Installation of VFD Unit panel Board ₹ 1,96,600/-
- Installation of Aircosaver ₹ 8,700/-
- Total : ₹ 12,05,856/-

#### B. TECHNOLOGY ABSORPTION :

- (i) The efforts made toward technology absorption:-

- Automation in core Batching plant is carried out at IHP Dhule to improve the Quality and Productivity

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:-

- Installed and commissioned an expander machine at IHP Karari and Chilamathur for expanding BWSC and PCCP Joints Rings.
- Modification of IHP Patancheru Plant and machineries to manufacture 6.5 Mtr Length BWSC/PCCP Pipes.
- Modification of Rajkot factory is carried out to manufacture 6.5 Mtr Length BWSC / PCCP Pipes, thus cost of pipe per meter is reduced.

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- a. Technology imported
  - b. Year of Import
  - c. Has technology been fully absorbed
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- } NIL

- (iv) The expenditure incurred on Research and Development:-

- The total expenditure on Research & Development during the year was ₹ 313.99 Lacs (0.33% of the turnover) as compared to ₹ 298.09 Lacs (0.30 % of the turnover) of previous year.

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

- Earnings : Nil
- Outgo : ₹ 3.85 Lacs - towards travelling and other expenses

For and on behalf of the Board of Directors,

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016

**Rajas R. Doshi**  
Chairman & Managing Director





## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE 'E' TO DIRECTORS' REPORT

#### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis

- |  |  |
|--|--|
| (a) Name(s) of the related party and nature of relationship  | : Ms. Anima B. Kapadia, Director and Sole Proprietress of M/s Daphtary Ferreira & Divan, Solicitors and Advocates of the Company rendering legal services to the Company in the professional capacity as Advocate & Solicitor. |
| (b) Nature of contracts / arrangements / transactions  | : Rendering legal services to the Company in the professional capacity as Advocate & Solicitor   |
| (c) Duration of the contracts / arrangements / transactions  | : Financial year 2015-16   |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any   | : Legal services rendered on the legal matters referred to Ms. Kapadia   |
| (e) Justification for entering into such contracts or arrangements or transactions   | : Legal services availed in the capacity as Advocates and Solicitors of the Company  |
| (f) Date(s) of approval by the Board   | : 29th January, 2016 & 19th May, 2016  |
| (g) Amount paid as advances, if any  | : No advance paid. Legal fees Bills - ₹ 82,50,000/- plus Service Tax. Total including Service Tax ₹ 94,46,250/-  |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013 | : N. A.  |

2. Details of material contracts or arrangement or transactions at arm's length basis

- |  |   |        |
|--|---|--------|
| (a) Name(s) of the related party and nature of relationship                                    | : | } None |
| (b) Nature of contracts / arrangements / transactions  | : |        |
| (c) Duration of the contracts / arrangements / transactions                                    | : |        |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | : |        |
| (e) Date(s) of approval by the Board, if any;  | : |        |
| (f) Amount paid as advances, if any;   | : |        |

For and on behalf of the Board of Directors,

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016

**Rajas R. Doshi**  
Chairman & Managing Director

# ANNEXURE TO DIRECTORS' REPORT

## ANNEXURE 'F' TO DIRECTORS' REPORT

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN:	: L51500MH1926PLC001255
Registration Date	: 20th July, 1926
Name of the Company	: The Indian Hume Pipe Company Limited
Category / Sub-Category of the Company	: Company having Share Capital
Address of the Registered office and contact details	: 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
Whether listed Company	: Yes - (a) BSE Ltd. (b) National Stock Exchange of India Ltd.
Name, Address and Contact details of Registrar and Transfer Agent, if any	: 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 / 78 Fax No. 022-25946969 email : rnt.helpdesk@linkintime.co.in website: www.linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main product / services	NIC Code of the Products/ service	% to total turnover of the company
1	Construction and maintenance of projects relating to water supply, irrigation, sanitation and sewerage systems and pipe manufacturing.	42204, 42205, 23955, 24311	99.78

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ / ASSOCIATE	% of shares Held	Applicable Section
1	IHP Finvest Ltd	U65920MH1996PLC103184	Holding Company	65.92	2(46)
2	Ratanchand Investment Pvt. Ltd.	U67120MH1996PTC103241	Ultimate Holding Company	1.80	2(46)



## ANNEXURE TO DIRECTORS' REPORT

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	447275	–	447275	1.85	447275	–	447275	1.85	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	16403240	–	16403240	67.72	16403240	–	16403240	67.72	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A)(1):</b>	<b>16850515</b>	<b>–</b>	<b>16850515</b>	<b>69.56</b>	<b>16850515</b>	<b>–</b>	<b>16850515</b>	<b>69.56</b>	<b>–</b>
<b>(2) Foreign</b>	–	–	–	–	–	–	–	–	–
a) NRIs – Individuals	86870	–	86870	0.36	86870	–	86870	0.36	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-Total (A)(2)</b>	<b>86870</b>	<b>–</b>	<b>86870</b>	<b>0.36</b>	<b>86870</b>	<b>–</b>	<b>86870</b>	<b>0.36</b>	<b>–</b>
<b>(A)(2): Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>16937385</b>	<b>–</b>	<b>16937385</b>	<b>69.92</b>	<b>16937385</b>	<b>–</b>	<b>16937385</b>	<b>69.92</b>	<b>–</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	491480	–	491480	2.03	1173841	–	1173841	4.85	2.82
b) Banks/FI	40793	13995	54788	0.23	31480	13995	45475	0.19	-0.04
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-Total (B)(1):-</b>	<b>532273</b>	<b>13995</b>	<b>546268</b>	<b>2.26</b>	<b>1205321</b>	<b>13995</b>	<b>1219316</b>	<b>5.03</b>	<b>2.78</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i. Indian	1144007	5405	1149412	4.75	848118	5405	853523	3.52	-1.22
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individuals Shareholders holding nominal Share Capital upto ₹ 1 lakh	4865427	597285	5462712	22.55	4342594	574630	4917224	20.30	-2.25
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	66160	–	66160	0.27	178415	–	178415	0.74	0.46
c) Others (specify) (NRI)	61648	–	61648	0.25	117722	–	117722	0.49	0.23
<b>Sub-Total (B)(2) :-</b>	<b>6137242</b>	<b>602690</b>	<b>6739932</b>	<b>27.82</b>	<b>5486849</b>	<b>580035</b>	<b>6066884</b>	<b>25.05</b>	<b>-2.78</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>6669515</b>	<b>616685</b>	<b>7286200</b>	<b>30.08</b>	<b>6692170</b>	<b>594030</b>	<b>7286200</b>	<b>30.08</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total (A + B + C)</b>	<b>23606900</b>	<b>616685</b>	<b>24223585</b>	<b>100.00</b>	<b>23629555</b>	<b>594030</b>	<b>24223585</b>	<b>100.00</b>	<b>-</b>

## ANNEXURE TO DIRECTORS' REPORT

### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	M/s. IHP Finvest Ltd	15967080	65.92	--	15967080	65.92	--	--
2	M/s. Ratanchand Investment Pvt.Ltd.	436160	1.80	--	436160	1.80	--	--
3	Mr. Rajas R. Doshi*	204575	0.84	--	204575	0.84	--	--
4	Ms. Jyoti R. Doshi	156665	0.65	--	156665	0.65	--	--
5	Mr. Aditya R. Doshi	86870	0.36	--	86870	0.36	--	--
6	Mr. Mayur R. Doshi	86035	0.36	--	86035	0.36	--	--
	<b>Total</b>	<b>16937385</b>	<b>69.92</b>	<b>--</b>	<b>16937385</b>	<b>69.92</b>	<b>--</b>	<b>--</b>

\* Including Shares held under HUF and under Trust.

### iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	No change during the year			
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No change during the year			
3	At the end of the year	No change during the year			

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	L & T Mutual Fund Trustee Limited- L & T Emerging Businesses Fund	491065	2.03	1101920	4.55
2	YMSH Management Consultants LLP	467751	1.93	469283	1.94
3	Finquest Securities Pvt. Ltd.	197000	0.81	--	--
4	Dhanki Securities Pvt.Ltd.	100000	0.41	--	--
5	Aruna P. Chokshi	66160	0.27	72182	0.30
6	Shreekant Varun Phumbhra	50000	0.21	50000	0.21
7	Kamalini Bahubali	47240	0.20	47240	0.20
8	Tarun Jain	45134	0.49	--	--
9	Angel Fincap Pvt. Ltd.	43557	0.18	38798	0.16
10	Hafeez Sorab Contractor	40000	0.17	40000	0.17
11	Sundaram Mutual Fund A/c Sundaram Smile	--	--	71921	0.30
12	Satyanarayan Karwa	--	--	56233	0.23
13	Ajay Upadhyaya	--	--	36581	0.15



## ANNEXURE TO DIRECTORS' REPORT

### v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Rajas R. Doshi – CMD	204575	0.84	-	No Change	Not applicable	204575	0.84
2	Ms. Jyoti R. Doshi - Director	156665	0.65	-	No Change	Not applicable	156665	0.65
3	Mr. Mayur R. Doshi – Executive Director	86035	0.36	-	No Change	Not applicable	86035	0.36
4	Mr. Ajit Gulabchand – Director	19415	0.08	-	No Change	Not applicable	19415	0.08
5	Mr. Rajendra M. Gandhi – Director	1296	-	-	No Change	Not applicable	1296	-
6	Mr. Rameshwar D. Sarda – Director	500	-	-	No Change	Not applicable	500	-
7	Mr. N. Balakrishnan – Director	-	-	-	No Change	Not applicable	-	-
8	Ms. Anima B. Kapadia – Director	830	-	-	No Change	Not applicable	830	-
9	Mr. Vijay Kumar Jatia – Director	830	-	-	No Change	Not applicable	830	-
10	Mr. P. D. Kelkar – Director	127	-	-	No Change	Not applicable	127	-
11	Mr. M. S. Rajadhyaksha – Chief Financial Officer	1000	-	-	No Change	Market Purchase	1000	-
12	Mr. S. M. Mandke -Company Secretary	-	-	-	No Change	Not applicable	-	-
	At the End of the year	471273	1.94	-	No Change	Not applicable	471273	1.94

### V. INDEBTEDNESS

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

₹ in Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	23051.17	7500.00	1.25	30552.42
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	174.96	36.35	Nil	211.31
<b>Total (i+ii+iii)</b>	<b>23226.13</b>	<b>7536.35</b>	<b>1.25</b>	<b>30763.73</b>
<b>Change in Indebtedness during the financial year in Principal Amount-</b>				
• Addition	263138.04	30878.96	Nil	294017.00
• Reduction	259047.46	33736.28	0.20	292783.94
<b>Net Change</b>	<b>4090.58</b>	<b>-2857.32</b>	<b>-0.20</b>	<b>1233.06</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	27141.75	4642.68	1.05	31785.48
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	188.79	16.56	Nil	205.35
<b>Total (i+ii+iii)</b>	<b>27330.54</b>	<b>4659.24</b>	<b>1.05</b>	<b>31990.83</b>

## ANNEXURE TO DIRECTORS' REPORT

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Rajas R. Doshi Chairman & Managing Director	Mr. Mayur R. Doshi Executive Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	133.35	45.72	179.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	74.71	40.58	115.29
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	38.59	49.33	87.92
	– As % of profit	0.78%	1.00%	1.78%
	– Others, specify ....	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	246.65	135.63	382.28
	Ceiling as per the Act			493.31

#### B. Remuneration to other Directors :

₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Ajit Gulabchand	Mr. Rajendra M. Gandhi	Mr. Rameshwar D. Sarda	Mr. N. Balakrishnan	Mr. Vijay Kumar Jatia	Mr. P. D. Kelkar	
1.	<b>Independent Directors</b>							
	• Fee for attending Board and Committee meetings	2.00	5.60	5.60	2.80	4.40	5.20	25.60
	• Commission	4.00	4.00	4.00	4.00	4.00	4.00	24.00
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	6.00	9.60	9.60	6.80	8.40	9.20	49.60
2.	<b>Other Non-Executive Directors</b>	Ms. Jyoti R. Doshi	Ms. Anima B. Kapadia					
	• Fee for attending Board and Committee meetings	3.20	3.60					
	• Commission	4.00	4.00					
	• Others, please specify	-	-					
	Total (2)	7.20	7.60	-	-	-	-	14.80
	Total (B) = (1+2)							64.40
	Total Managerial Remuneration (A+B*)	(*Commission to Non-Executive Directors @1% of the profits i.e. ₹ 32 Lacs)						414.28
	Overall Ceiling as per the Act							542.64

#### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

₹ in Lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. M. S. Rajadhyaksha Chief Financial Officer	Mr. S.M. Mandke Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.14	31.68	66.82
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(# ) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	– as % of profit	-	-	-
	– others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	35.14	31.68	66.82



## ANNEXURE TO DIRECTORS' REPORT

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

NONE

### ANNEXURE 'G' TO DIRECTORS' REPORT

#### PATRICULARS OF EMPLOYEES PURSUANT TO SECTION 134 (3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr No	Name of Director / KMP and Designation	Remuneration of Director/KMP for the financial year 2015-16 (₹)	Percentage increase / (decrease) in remuneration for the financial year 2015-16	Ratio of remuneration of each Director to the median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company.
1	Mr. Rajas R. Doshi Chairman & Managing Director	2,46,65,284	(18.21)%	40.94	The total remuneration of Key Managerial Personnel decreased from ₹ 491.92 Lacs in 2014-15 to ₹ 449.10 Lacs in 2015-16 and the Profit Before Tax decreased by 27.62% to ₹ 4,485.49 Lacs in 2015-16 (₹ 6,196.73 Lacs in 2014-15).
2	Mr. Mayur R. Doshi Executive Director	1,35,63,327	0.30%	22.51	
3	Mr. Ajit Gulabchand Non- Executive Director	6,00,000	76.47%	1.00	
4	Ms. Jyoti R. Doshi Non- Executive Director	7,20,000	71.43%	1.20	
5	Mr. Rajendra M. Gandhi Non- Executive Director	9,60,000	77.78%	1.59	
6	Mr. Rameshwar D. Sarda Non-Executive Director	9,60,000	84.62%	1.59	
7	Mr. N. Balakrishnan Non-Executive Director	6,80,000	47.83%	1.13	
8	Ms. Anima B. Kapadia Non-Executive Director	7,60,000	65.22%	1.26	
9	Mr. Vijay Kumar Jatia Non-Executive Director	8,40,000	55.56%	1.40	
10	Mr. P. D. Kelkar Non-Executive Director	9,20,000	70.37%	1.53	
11	Mr. M. S. Rajadhyaksha - KMP Chief Financial Officer	35,14,379	21.91%	Not Applicable	
12	Mr. S. M. Mandke - KMP Company Secretary	31,67,851	20.48%	Not Applicable	

## ANNEXURE TO DIRECTORS' REPORT

- (ii) The percentage increase in the median remuneration of employees in the financial year 2015-16 was 14.13%.
- (iii) There were 1,250 permanent employees on the rolls of the Company as on 31.03.2016.
- (iv) The explanation on the relationship between average increase in remuneration and the performance of the Company:  
The Profit Before Tax for the financial year ended 31-03-2016 decreased by 27.62% whereas the increase in average remuneration was 7.23% which was to partly offset the rise in CPI Index of 5.53% and inflation for the year 2015-16.
- (v) Comparison of the each remuneration of the KMP against the performance of the Company:  
Please refer Table (i) given above.
- (vi) Average percentage increase already made in the salaries of employees other than the managerial personnel in the financial year 2015-16 was 7.23%. However, there was decrease of 17.91% in managerial remuneration for the same financial year due to decrease in net profit as compared to the previous financial year.
- (vii) a. Variations in market capitalization of the Company :-  
The market capitalization as on 31-03-2016 was ₹ 766 Crore (₹ 638 Crore as on 31-03-2015). The face value per share is ₹ 2/-. The market price of share as on 31.03.2016: ₹ 316/- (As on 31.03.2015: ₹ 263/-)
- b. Price Earnings ratio of the Company (excluding exceptional items) was 26.33 as at 31-03-2016 (16.60 as at 31-03-2015)
- c. The Company had consistently paid dividends except for the financial years 1926 to 1930 and 1945 to 1949. The Company had not made any public offer. The Company had rewarded the shareholders by way of Bonus Shares as given below.
- | Financial Year | Ratio |
|----------------|-------|
| 1966-67        | 1:2   |
| 1977-78        | 1:4   |
| 1984-85        | 1:2   |
| 1989-90        | 1:2   |
| 2005-06        | 2:3   |
- d. The face value of the share of ₹ 100/- each was sub-divided into a face value of ₹ 10/- each w.e.f. 1st September 2004 and further sub-divided into face value of ₹ 2/- each w.e.f. 31st August, 2010.
- (viii) The key parameters for the variable component of remuneration availed by the Directors are as per the terms of the contract / Remuneration Policy.
- (ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – There was no employee who received remuneration in excess of the highest paid Director during the financial year ended 31st March, 2016; and
- (x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy.





## CORPORATE GOVERNANCE

### 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 erstwhile Listing Agreement up to 30th November, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with effect from 1st December, 2015 have been complied with.

#### B. Directors attendance record and details of Directorships/ Committee Positions held:

As mandated by Listing Regulations none of the Directors on the Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such Companies in which he/she is a Director.

Further, none of the Directors of the Company serve as an Independent Director in more than seven listed companies.

Names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and Board-level committee positions held by them is as under:

Name of the Director	Category	Number of Board meetings held	Number of Board meetings attended	Whether attended last AGM	Number of Directorships of public companies*	Committee Positions		Whether having any pecuniary or business relation with the Company
						Chairman	Member	
Mr. Rajas R. Doshi	Promoter, Chairman & Managing Director	6	6	Yes	7	2	7	None
Mr. Ajit Gulabchand	Independent Non-Executive	6	4	No	9	1	3	None
Ms. Jyoti R. Doshi	Promoter, Non-Executive Non-Independent	6	6	Yes	2	--	--	None
Mr. Rajendra M. Gandhi	Independent Non-Executive	6	6	Yes	1	1	--	None
Mr. Rameshwar D. Sarda	Independent Non-Executive	6	6	Yes	2	--	1	None
Mr. N. Balakrishnan	Independent Non-Executive	6	4	No	1	--	1	None
Ms. Anima B. Kapadia	Non-Executive Non-Independent	6	6	Yes	3	1	1	Proprietor of Daphtary Ferreira & Divan, Advocates & Solicitors of the Company
Mr. Vijay Kumar Jatia	Independent Non-Executive	6	5	Yes	4	--	1	None
Mr. P. D. Kelkar	Independent Non-Executive	6	6	Yes	1	--	2	None
Mr. Mayur R. Doshi +	Promoter, Executive Director	6	6	Yes	2	--	1	None

\* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

# Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee in public companies (including that of The Indian Hume Pipe Company Limited) have been considered.

+ Mr. Mayur R. Doshi has been re-appointed as Executive Director from 1st April, 2016 to 30th June, 2019 subject to approval by members at the ensuing AGM.

## CORPORATE GOVERNANCE

### C. Number of Board Meetings

The Board of Directors met 6 times during the financial year 2015-16. The meetings were held on 7th May, 2015, 28th May, 2015, 4th August, 2015, 28th October, 2015, 29th January, 2016 and 11th March, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

### D. Disclosure of Relationships between directors inter-se

Mr. Rajas R. Doshi, Chairman & Managing Director, Ms. Jyoti R. Doshi, Non-Executive Non-Independent Director and Mr. Mayur R. Doshi, Executive Director of the Company are related to each other and belong to the Company's Promoter group. The shareholding of Promoter group is given elsewhere in the report.

None of the other Directors of the Company are related to each other.

Ms. Anima B. Kapadia, Non-Executive Non-Independent Director of the Company, is a sole proprietor of M/s. Daphtary Ferreira & Divan, Solicitors & Advocates, one of the Solicitors & Advocates of the Company having 40 years' experience as a Solicitor & Lawyer.

### E. Details of Equity Shares held by the Non-Executive Directors

Name of Non-executive Directors	No. of Shares held
Mr. Ajit Gulabchand	19415
Ms. Jyoti R. Doshi	156665
Mr. Rajendra M. Gandhi	1296
Mr. Rameshwar D. Sarda	500
Mr. N. Balakrishnan	-
Ms. Anima B. Kapadia	830
Mr. Vijay Kumar Jatia	830
Mr. P. D. Kelkar	127

### F. Familiarisation Programme for Independent Directors

The Independent Directors are provided with necessary documents and policies to enable them to familiarize themselves with the Company's procedures and practices.

The details of such familiarization programme for Independent Directors of the Company are posted on the website of the Company [www.indianhumepipe.com](http://www.indianhumepipe.com).

### G. Information to the Board

A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. The Agenda for the Board Meeting covers items as set out in erstwhile Listing Agreement and the Listing Regulations, 2015 (w.e.f. 01/12/2015) to the extent these are relevant and applicable. All agenda items are supported by relevant information and documents to enable the Board to take informed decision.

### H. Code of Conduct

The Board of Directors had laid down three separate categories of Code of Conduct for all its Executive Directors and Senior Management Personnel, Non-Executive Non-Independent Directors and Independent Directors. The Codes of Conduct are available on the website of the Company: [www.indianhumepipe.com](http://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.

### I. Performance Evaluation and Independent Directors Meeting

Pursuant to the provisions of Section 134(3)(p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, annual Performance Evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, CSR Committee and Risk Management Committee has been carried out.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

### J. Director seeking re-appointment

Mr. Mayur R. Doshi, Executive Director retire by rotation and being eligible offer himself for re-appointment.

The resume of the Director seeking re-appointment is given in the Notice of AGM and Explanatory Statement.

## II. AUDIT COMMITTEE

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee acts in accordance with the terms of reference which is in line with the regulatory requirements mandated by the Companies Act, 2013, erstwhile Clause 49 of the Listing Agreement and Listing Regulations.

The Audit Committee was constituted by the Board of Directors at its meeting held on 25th October, 2001. Presently it has 4 members. Mr. Rajendra M. Gandhi, is the Chairman, Mr. Rameshwar D. Sarda, Mr. Vijay Kumar Jatia and Mr. P. D. Kelkar, Directors are Members of the Audit Committee. All members of the Committee are Independent Directors.

The Company Secretary acts as the Secretary to the Committee.

Besides having access to all the required information of 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



## CORPORATE GOVERNANCE

necessary. It is also empowered to review and approve Financial Statements, Management Discussion & Analysis Report and related party transactions. Generally all items listed in erstwhile Listing Agreement and the Listing Regulations and Section 177 of the Companies Act, 2013 are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Listing Regulations.

Five committee meetings were held during the year from 1st April, 2015 to 31st March, 2016 on following dates:

- 28th May, 2015
- 4th August, 2015
- 28th October, 2015
- 29th January, 2016
- 11th March, 2016

The attendance of the members at these meetings are as under:

Sr. No.	Members	Meetings Attended
1	Mr. Rajendra M. Gandhi - Chairman of the Committee	5
2	Mr. Rameshwar D. Sarda	5
3	Mr. Vijay Kumar Jatia	4
4	Mr. P. D. Kelkar	5

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 4th August, 2015 to answer members' queries.

All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, management, accounting practices and internal controls.

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

In accordance with Section 177 of the Companies Act, 2013 and Listing Regulations the Board of Directors of the Company has specified following terms of reference for the Audit Committee.

The Terms of reference of the Audit Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.

- d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up thereon;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - To review the functioning of the Whistle Blower mechanism;
  - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## CORPORATE GOVERNANCE

Review of Information by Audit Committee:

Besides the above, the role of the Audit Committee includes mandatory review of the following information

- Management Discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;

### III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. N. Balakrishnan, Chairman, Independent Director, Mr. Vijay Kumar Jatia and Mr. Rajendra M. Gandhi, Independent Directors, Ms. Anima B. Kapadia, Non-Executive Non-Independent Director and Mr. Rajas R. Doshi, Chairman & Managing Director of the Company.

During the year two Committee meetings were held viz on 28th May, 2015 and 29th January, 2016. The attendance at the meetings was as under:

Sr. No.	Members	Meetings Attended
1.	Mr. N. Balakrishnan - Chairman of the Committee	2
2.	Ms. Anima B. Kapadia	2
3.	Mr. Vijay Kumar Jatia	1
4.	Mr. Rajendra M. Gandhi	2
5.	Mr. Rajas R. Doshi	2

The terms of reference of the Nomination and Remuneration Committee, inter-alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for performance evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board, their appointment and removal.

### Remuneration Policy

The Remuneration Policy of the Company has been provided in the Directors' Report forms part of this Annual Report.

### IV. REMUNERATION OF DIRECTORS

#### A. Remuneration to Non-Executive Directors for the year ended 31st March, 2016.

Non-Executive Directors are paid sitting fees of ₹ 40,000/- each for every meeting of the Board or Committee attended by them.

In the Annual General Meeting held on 4th August, 2015, the members had approved payment of commission, not exceeding 1% of the net profits of the Company or an amount not exceeding ₹ 32 Lacs in aggregate, whichever is less, per financial year, to Non-Executive Directors for a further period of three financial years commencing from the year 2015-16 to 2017-18.

The Board of Directors at its meeting held on 19th May, 2016, has decided to pay commission of ₹ 4 Lac each to all Non-executive Directors for the financial year 2015-16.

The remuneration paid / payable to Non-Executive Directors for the year ended 31st March, 2016 is as under:

Director	Board Sitting Fees (₹)	Committee Sitting Fees (₹)	Independent Directors Meeting Sitting Fees (₹)	Commission* (₹)	Total (₹)
Mr. Ajit Gulabchand	1,60,000	---	40,000	4,00,000	6,00,000
Ms. Jyoti R. Doshi	2,40,000	80,000	---	4,00,000	7,20,000
Mr. Rajendra M. Gandhi	2,40,000	2,80,000	40,000	4,00,000	9,60,000
Mr. Rameshwar D. Sarda	2,40,000	2,80,000	40,000	4,00,000	9,60,000
Mr. N. Balakrishnan	1,60,000	80,000	40,000	4,00,000	6,80,000
Ms. Anima B. Kapadia	2,40,000	1,20,000	---	4,00,000	7,60,000
Mr. Vijay Kumar Jatia	2,00,000	2,00,000	40,000	4,00,000	8,40,000
Mr. P. D. Kelkar	2,40,000	2,40,000	40,000	4,00,000	9,20,000
<b>Total :</b>	<b>17,20,000</b>	<b>12,80,000</b>	<b>2,40,000</b>	<b>32,00,000</b>	<b>64,40,000</b>

\* Provision has been made in accounts for the year 2015-16.



## CORPORATE GOVERNANCE

### B. (i) Remuneration of the Managing Director for the year ended 31st March, 2016.

Remuneration payable to the Managing Director for the period of 5 years w.e.f. 1st July, 2013 to 30th June, 2018 had been recommended by the Nomination and Remuneration Committee and approved by the Board at their meetings held on 29th May, 2013 and Shareholders at the Annual General Meeting held on 25th July, 2013.

### (ii) Remuneration of the Executive Director for the year ended 31st March, 2016.

Remuneration payable to the Executive Director w.e.f. 28th May, 2012 to 31st March, 2016 had been recommended by the Nomination and Remuneration Committee and approved by the Board at their meetings held on 28th May, 2012 and Shareholders at the Annual General Meeting held on 25th July, 2012.

The details of remuneration paid/payable to the Managing Director and Executive Director for the year ended 31st March, 2016 is as under:

Directors	Salary, Perquisites and Allowances (₹)	Company's contribution to funds (₹)	Commission* (₹)	Total (₹)	Contract Period
Mr. Rajas R. Doshi Chairman & Managing Director	1,79,71,284	28,35,000	38,59,000	2,46,65,284	5 years with effect from 1st July, 2013 to 30th June, 2018
Mr. Mayur R. Doshi Executive Director	76,58,327	9,72,000	49,33,000	1,35,63,327	With effect from 28th May, 2012 to 31st March, 2016.  Further re-appointed from 1st April, 2016 to 30th June 2019 subject to the approval of the shareholders.

\* Provision has been made in the accounts for the year 2015-16.

Notes:

1. Service Contract in case of Chairman & Managing Director is five years from 1st July, 2013 to 30th June, 2018 and in case of Executive Director is from 1st April, 2016 to 30th June, 2019 and Notice period applicable to Managing Director and Executive Director is six months.
2. The above commission to the Managing Director and Executive Director is recommended by the Nomination and Remuneration Committee and approved by the Board.
3. The Company has not issued stock options.

### V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of five Directors viz Ms. Anima B. Kapadia (Chairperson), Mr. Rajas R. Doshi, Mr. Ajit Gulabchand, Mr. N. Balakrishnan and Mr. P. D. Kelkar.

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

During the year one meeting was held on 28th October, 2015. The attendance at the meeting was as under:

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

Share transfers are approved weekly by the Chairman & Managing Director/Executive Director.

Details of Shareholders Complaints received and attended during the year-2015-16 were as under:

Nature of Complaints	As on 1st April, 2015	Received during the year	Redressed during the year	As on 31st March, 2016
Non-Receipt of Dividend	-	4	4	-
Securities and Exchange Board of India (SEBI) – for issue of duplicate share certificate	-	1	1	-
TOTAL:	-	5	5	-

## CORPORATE GOVERNANCE

### The Committee deals with the following matters:

Noting transfer/transmission of shares.

Review of dematerialised/rematerialised shares and all other related matters.

Monitors expeditious redressal of investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.

Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.

All other matters related to shares.

### VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors at their meeting held on 27th May, 2014. Mr. Rajas R. Doshi, Chairman & Managing Director, Ms. Jyoti R. Doshi and Mr. Rameshwar D. Sarda, Directors are Members of the CSR Committee.

The terms of reference of the Corporate Social Responsibility Committee (CSR) is as under:

To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Section 135 of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII;

To recommend the amount of expenditure to be incurred on the activities in terms of the CSR Policy;

To monitor the CSR Policy of the Company from time to time;

Such other Terms of Reference as may be specified from time to time under the Companies Act, 2013, Rules thereunder and Schedule VII of the Act.

During the year two Committee meetings were held viz on 28th May, 2015 and 28th October, 2015. The attendance at the meetings was as under:

Sr. No.	Members	Meetings Attended
1.	Mr. Rajas R. Doshi - Chairman of the Committee	2
2.	Ms. Jyoti R. Doshi	2
3.	Mr. Rameshwar D. Sarda	2

### VII. RISK MANAGEMENT COMMITTEE

Risk Management Committee was voluntarily constituted by the Board of Directors at their meeting held on 27th May, 2014, headed by Mr. Rajas R. Doshi, Chairman & Managing Director, Mr. Mayur R. Doshi, Executive Director, Mr. P. D. Kelkar, Director, Mr. P. R. Bhat, Vice President and Mr. M. S. Rajadhyaksha, Chief Financial Officer of the Company. No committee meeting was held during financial year 2015-16.

### VIII. GENERAL BODY MEETINGS:

The Annual General Meetings of the Company during the previous three 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 thereat are as under:

Year	Date	Time	Special Resolutions
2012-13	25-07-2013	4.00 p.m.	Appointment of Mr. Rajas R. Doshi, as the Chairman & Managing Director of the Company for a further period of 5 years with effect from 1 <sup>st</sup> July, 2013 to 30 <sup>th</sup> June, 2018.
2013-14	25-07-2014	4.00 p.m.	(i) Alteration of Articles of Association of the Company. (ii) To borrow money up to ₹ 100 Crores (Rupees Hundred Crores) over and above the aggregate of the paid-up share capital and free reserves of the Company.
2014-15	04-08-2015	4.00 p.m.	Payment of Commission to Non-Executive Directors not exceeding 1% of net profits of the Company or an amount not exceeding ₹ 32 Lacs in aggregate, whichever is less, per financial year for a period of 3 years from the financial year 2015-16 to 2017-18

### IX. POSTAL BALLOT:

The Company as per the Postal Ballot Notice dated 27th May, 2014, had passed two special resolutions i.e (1) Creation of Charges / Mortgages on the moveable and immovable properties on the Company, both present and future (2) Disposal/ redevelopment of Undertaking(s) pursuant to Section 180(1)(a) of the Companies Act, 2013, The same were passed with requisite majority as per the voting details given below:

Sr. No.	Description of Resolutions	No. of votes in Favour	% of votes in Favour	No. of votes Against	% of votes Against
1	Creation of Charges / Mortgages on the moveable and immovable properties on the Company, both present and future	1,69,83,804	99.9930	1,185	0.0070
2	Disposal/ redevelopment of Undertaking(s) pursuant to Section 180(1)(a) of the Companies Act, 2013	1,69,84,175	99.9975	415	0.0025

Mr. J. H. Ranade, Practicing Company Secretary (CP No.: 2520) was appointed as Scrutinizer for the purpose who conducted the Postal Ballot.

None of the businesses is proposed to be transacted in the ensuing Annual General Meeting requiring passing of a resolution through Postal Ballot.

### X. MEANS OF COMMUNICATION

The quarterly, half yearly & yearly results are published in The Economic Times and Maharashtra Times / Business Standard,



## CORPORATE GOVERNANCE

Economic Times and Sakal which are national and local dailies. The Company's results and official news releases are displayed on the Company's website <http://www.indianhumepipe.com>.

### XI. GENERAL SHAREHOLDER INFORMATION

#### (i) Annual General Meeting

The Ninetieth Annual General Meeting of the Company will be held on Wednesday, 27th July, 2016 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.

#### (ii) Financial Calendar 2016-17

Financial year: 1st April to 31st March.

Unaudited Financial Results with Limited Review for quarter ended :  
June, 2016 - by 14th August, 2016.

September, 2016 - by 14th November, 2016.

December, 2016 - by 14th February, 2017.

#### (v) Stock Market price data:

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	329	261	330	271
May 2015	318	282	317	281
June 2015	319	280	313	278
July 2015	437	290	438	288
August 2015	433	345	432	342
September 2015	405	325	406	322
October 2015	438	374	440	373
November 2015	436	363	437	358
December 2015	456	405	457	405
January 2016	450	370	452	370
February 2016	370	273	370	270
March 2016	349	276	355	273

#### (vi) Stock Performance in comparison to BSE Sensex

Month	BSE Sensex				IHP Price (₹)			
	Open	High	Low	Close	Open	High	Low	Close
April 2015	27955	29095	26898	27011	261	329	261	287
May 2015	27205	28071	26424	27828	295	318	282	309
June 2015	27771	27969	26307	27781	313	319	280	290
July 2015	27824	28578	27416	28115	300	437	290	412
August 2015	28089	28418	25298	26283	419	433	345	378
September 2015	26127	26472	24834	26155	370	405	325	396
October 2015	26344	27618	26169	26657	400	438	374	379
November 2015	26642	26824	25451	26146	375	436	363	432
December 2015	26201	26256	24868	26118	430	456	405	424
January 2016	26102	26197	23840	24871	427	450	370	377
February 2016	24982	25002	22495	23002	370	370	273	276
March 2016	23153	25480	23133	25342	276	349	276	316

Audited financial results for the year ended 31st March, 2017 - by end of May, 2017.

AGM for the year ended 31st March, 2017 - by end of July/August, 2017.

Note : The above dates are indicative.

#### (iii) Book Closure

Wednesday, 20th July, 2016 to Wednesday 27th July, 2016 (both days inclusive).

#### (iv) Listing of Equity Shares on Stock Exchanges, Stock Codes and ISIN

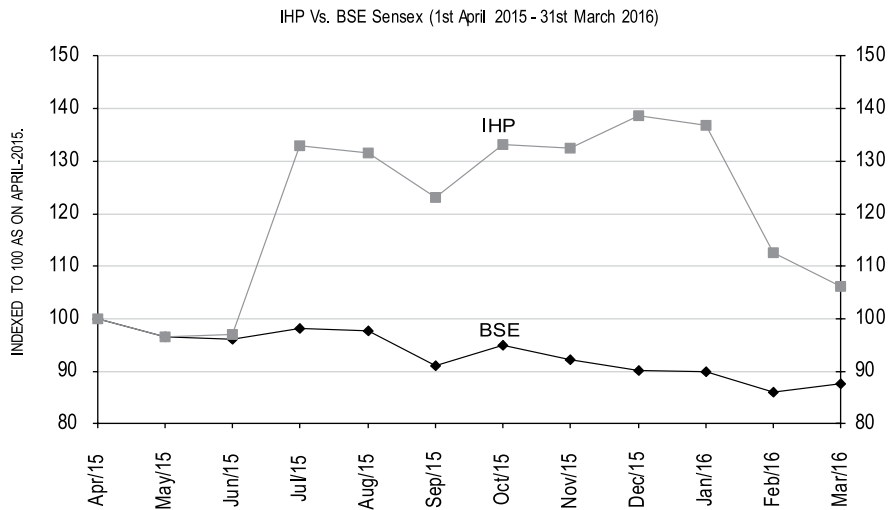
BSE Ltd. (BSE)	504741
National Stock Exchange of India Ltd. (NSE)	INDIANHUME
International Securities Identification Number (ISIN) No.	INE 323C01030

The Company has paid Listing Fees to BSE and NSE for financial year 2016-17.

## CORPORATE GOVERNANCE

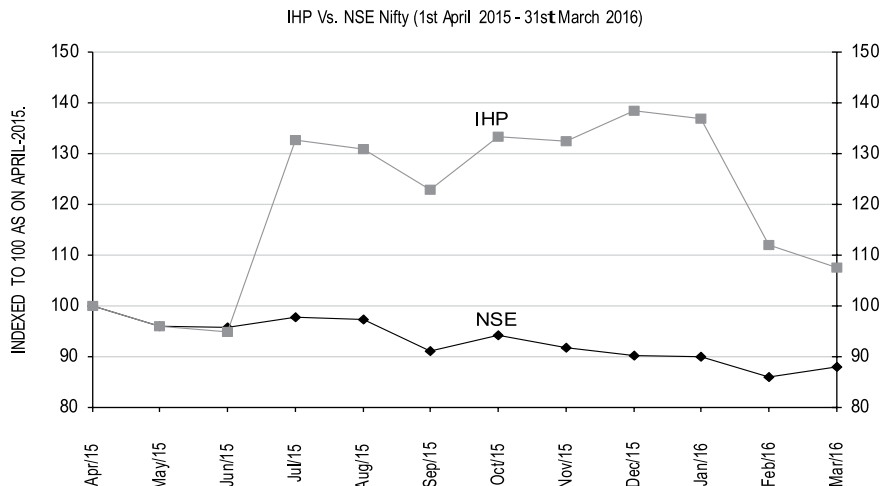
### (vii) Performance in comparison to the primary indices - BSE Sensex & NSE Nifty during the year 2015-16.

The following chart show the performance of price of Company's Share as compared to the BSE Sensex during the year 2015-16.



BSE Sensex and IHP Shares Prices are indexed to 100 at the beginning of April, 2015.

The following chart show the performance of price of Company's Share as compared to the NSE Nifty during the year 2015-16.



NSE Nifty and IHP Shares Prices are indexed to 100 at the beginning of April, 2015

### (viii) 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  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

### (ix) Share Transfer System

All the transfers received in physical form are processed by the Registrar and Share Transfer Agent of the Company and approved weekly by the Chairman & Managing Director/Executive Director and noted in the Meetings of the Board of Directors.

### (x) Shareholding pattern as on 31st March, 2016

Sr. No.	Description	Number of Shares	% to paid-up capital
1	Promoters	1,69,37,385	69.92
2	Directors & Relatives	31,305	0.13
3	Mutual Funds	11,73,841	4.85
4	Banks	45,475	0.19
5	Non Resident Indians (NRI)	1,17,722	0.49
6	Bodies Corporate	8,53,523	3.52
7	Public	50,64,334	20.91
	<b>TOTAL</b>	<b>2,42,23,585</b>	<b>100.00</b>





## CORPORATE GOVERNANCE

### (xi) Distribution of shareholding as on 31st March, 2016

Shares Held	No. of Shareholders	% to Shareholders	No. of Shares	% to paid-up capital
Up to – 500	9,909	84.36	12,36,951	5.11
501 – 1000	816	6.95	6,42,182	2.65
1001 - 2000	480	4.09	7,02,381	2.90
2001 – 3000	206	1.75	5,17,599	2.14
3001 – 4000	90	0.77	3,21,043	1.33
4001 – 5000	75	0.64	3,49,158	1.44
5001 – 10000	112	0.95	8,05,612	3.33
10001 - and above	58	0.49	1,96,48,659	81.11
<b>TOTAL</b>	<b>11,746</b>	<b>100.00</b>	<b>2,42,23,585</b>	<b>100.00</b>

### (xii) Dematerialization of Shares and Liquidity as on 31st March, 2016.

Physical Form	: 2.45%
Dematerialised Form	: 97.55%

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

### (xiii) Transfer of unclaimed physical share certificates to unclaimed suspense account in demat mode.

Pursuant to the erstwhile Listing Agreement / Listing Regulations, the unclaimed share certificates of the shareholders on account of sub-division of face value of share of ₹ 10/- each to ₹ 2/- each lying with the Company were transferred to 'IHP-Unclaimed Shares Suspense Account' after giving three reminders to these shareholders requesting them to claim their shares. Thereafter few shareholders had claimed their shares.

Accordingly the Company had opened a demat account in the name of 'IHP-Unclaimed Shares Suspense Account' with Stock Holding Corporation of India Ltd (DP) and dematted 1,49,370 Equity Shares belonging to 180 shareholders.

The Statement of unclaimed shares as of 31st March, 2016 is as under:

Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 01-04-2015		Number of shareholders who approached the Company and Company has Transferred the Shares from the Unclaimed Suspense Account during the year		Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31-03-2016	
No. of Holders	No of Shares	No. of Holders	No of Shares	No. of Holders	No of Shares
174	1,33,045	3	3,330	171	1,29,715

As per the Listing Regulations the voting rights on the shares outstanding in the above Unclaimed Suspense Account shall remain frozen till the rightful owners of such shares claim the shares.

Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall also be credited to above IHP-Unclaimed Shares Suspense Account, as applicable for a period of seven years and thereafter shall be transferred to IEPF by the Company in accordance with provisions of the Companies Act, 2013 and rules made thereunder.

### (xiv) Nomination facility for Shares

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

### (xv) Permanent Account Number(PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while transfer, transposition, transmission and issue of duplicate share certificates.

### (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

There are 22 factories. The locations are indicated in the MAP at the end of the Annual Report.

### (xviii) Address for correspondence

Share Department  
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

Any Member/Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

## CORPORATE GOVERNANCE

### (xix) Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent Chartered Accountant with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The certificate from Chartered Accountant with regard to the same is submitted to BSE Ltd. and National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

## XII. OTHER DISCLOSURES

### A. Related Party Disclosures

Details of related party transactions i.e. transactions of the Company of material nature with its promoter, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Notes to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2015-16, there were no material related party transactions entered by the Company that may have a potential conflict with in interests of the Company

As required, the Company has formulated a Related Party Transaction Policy which is available on the website of the Company i.e. [www.indianhumepipe.com](http://www.indianhumepipe.com)

([http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate\\_Governance/Related%20Party%20Policy.pdf](http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/Related%20Party%20Policy.pdf)).

### B. Code for Prevention of Insider-Trading

In compliance with SEBI's regulation on prevention of insider trading, the Company had 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.

In accordance with the newly notified SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has laid down new model Code of Conduct for its Directors, KMP and employees in terms of these regulations. Mr. S. M. Mandke, Company Secretary has been designated as Compliance Officer under the Code.

### C. Vigil Mechanism /Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities. The Company has Vigil Mechanism administered by the Audit Committee. The Vigil Mechanism Policy is posted on the website of the Company [www.indianhumepipe.com](http://www.indianhumepipe.com).

### D. CEO/CFO Certification

As required under Listing Regulations, the Chairman & Managing Director and the Chief Financial Officer of the Company have issued a certificate to the Board of Directors, for the year ended 31st March, 2016, which is annexed to this report.

### E. 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.

### F. Management Discussion & Analysis Report

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

### G. Compliance with mandatory & non-mandatory requirements

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

Further, the Company has adopted following non-mandatory requirement of the erstwhile Clause 49 / Listing Regulations.

#### Audit Qualifications:

During the year under review, there is no audit qualification in the Auditor's Report. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

#### Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate Governance, as stipulated in erstwhile Clause 49 of the Listing Agreement and Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.



### CERTIFICATION BY CEO AND CFO UNDER REGULATION 17(8) OF SEBI LISTING REGULATIONS

The Board of Directors,  
The Indian Hume Pipe Co. Ltd.

We have reviewed the financial statements, and the cash flow statement of The Indian Hume Pipe Co. Ltd. for the year ended 31st March, 2016 and that to the best of our knowledge and belief, we state that :

- A. (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading  
(ii) These statements together present true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and to the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps have been taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee;
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**M. S. Rajadhyaksha**  
Chief Financial Officer

**Rajas R. Doshi**  
Chairman & Managing Director

Place : Mumbai

Date : 19<sup>th</sup> May, 2016

## **CORPORATE GOVERNANCE**

### **DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR PURSUANT TO LISTING REGULATIONS**

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 : 19<sup>th</sup> May, 2016

### **Auditors' Certificate on Corporate Governance**

To  
The Members of  
The Indian Hume Pipe Co. Ltd.  
Mumbai - 400 001

We have examined the compliance of conditions of Corporate Governance as stipulated at Para C of Schedule V in terms of Regulations 34(3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations') and the Listing Agreement of The Indian Hume Pipe Company Limited with the stock exchanges for the year ended March 31, 2016.

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 Regulations.

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  
ICAI Firm Registration No.:100186W

Sachin A. Negandhi  
Partner  
Membership No.112888

Place : Mumbai  
Date : 19<sup>th</sup> May, 2016



# INDEPENDENT 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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Andhra Pradesh and Telangana regions.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

## Other Matter

We did not audit the financial statements / information of seven branches included in the financial statements of the Company whose financial statements / financial information reflects total assets of ₹ 48850.42 lakhs as at March 31, 2016 and total revenues of ₹ 39681.91 lakhs for the year ended on that date, as considered in the financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

## INDEPENDENT AUDITOR'S REPORT

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.32 (1) to the financial statements.
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K. S. Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 100186W

Place : Mumbai  
Date : May 19, 2016

**Sachin A. Negandhi**  
Partner  
Membership No. 112888



## ANNEXURE 'A' TO THE 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, 2016, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company other than as detailed below:

No. of cases	Land - Leasehold / Freehold	₹ in Lacs		Remarks
		Gross Block	Net Block	
3	Leasehold	0.09	0.09	(a) Letter of allotment is in name of the Company. (b) Lease deed period has expired. The Company continues to pay rent and statutory dues.

- (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in books of accounts.

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

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	-
		1990-91	-	35.70	-
		1991-92	-	31.31	-
		1992-93	-	15.40	-
		1993-94	-	14.39	-
		1994-95	-	34.74	0.50
		1995-96	-	72.49	-
		1996-97	-	-	0.20
		1997-98	-	-	1.11
		2000-01	-	-	73.52
		2001-02	-	-	110.39
		2003-04	-	70.56	-
		2009-10	7.02	-	-
2013-14	31.08	3.68	-		

- (iii) As informed, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) As informed, the Company has not advanced any loans, made any investments or given any guarantees and securities. Accordingly clause 3 (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Sections 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed thereunder, 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.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for maintenance of the cost record under sub section (1) of Section 148 of the Companies Act, 2013 and 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 cost records with a view to determine they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Value Added 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, there are no undisputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income 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.

## ANNEXURE 'A' TO THE 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
		2014-15	3.46	-	2457.77
		2015-16	176.70	40.35	578.32
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	-	-
		1991-92	0.57	-	-
		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	-	0.21	-
		2008-09	38.59	439.34	-
		2009-10	-	0.74	-
		2010-11	5.96	136.85	-
		2011-12	-	4.74	-
		2012-13	-	9.74	-
		2013-14	-	173.00	-
		2015-16	3.82	-	-
Service Tax	Tax / Penalty / Interest	2008-09	-	1.80	-
		2009-10	-	87.64	-
		2010-11	-	2.40	-
		2011-12	-	6.27	-

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company does not have any loans from Financial Institutions or Government. The Company did not have any outstanding debentures during the year.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly clause 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by the Company or on the Company by any of its employees or officers noticed or reported during the course of our audit.
- (xi) In our opinion, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private

placement of shares or fully or partly convertible debentures during the year under review.

- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For K. S. Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 100186W

Place : Mumbai  
Date : May 19, 2016

**Sachin A. Negandhi**  
Partner  
Membership No. 112888





## ANNEXURE 'B' TO THE AUDITORS' REPORT

### Annexure B to the Independent Auditor's Report of even date on the Financial Statements of The Indian Hume Pipe Company Limited

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

We have audited the internal financial controls over financial reporting of The Indian Hume Pipe Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

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

**For K. S. Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 100186W

Place : Mumbai  
Date : May 19, 2016

**Sachin A. Negandhi**  
Partner  
Membership No. 112888

# BALANCE SHEET AS AT MARCH 31, 2016

₹ in Lacs

	Note	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2.1	484.47	484.47
Reserves and surplus	2.2	<u>30180.89</u>	<u>28203.87</u>
		<b>30665.36</b>	<b>28688.34</b>
<b>Non-Current Liabilities</b>			
Long term borrowings	2.3	1364.79	2062.50
Deferred tax liabilities (net)	2.4	-	88.91
Other long term liabilities	2.5	2114.70	2483.67
Long term provisions	2.6	<u>234.47</u>	<u>211.81</u>
		<b>3713.96</b>	<b>4846.89</b>
<b>Current Liabilities</b>			
Short term borrowings	2.7	29658.70	27738.68
Trade payables	2.8	25722.00	23215.61
Other current liabilities	2.9	16163.42	14922.93
Short term provisions	2.10	<u>406.44</u>	<u>1315.33</u>
		<b>71950.56</b>	<b>67192.55</b>
<b>TOTAL</b>		<b><u>106329.88</u></b>	<b><u>100727.78</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	2.11	7266.13	7427.31
Intangible assets	2.11	44.18	44.21
Capital work-in-progress	2.11	<u>259.62</u>	<u>34.54</u>
		<b>7569.93</b>	<b>7506.06</b>
Non-current investments			
Deferred tax assets (net)	2.12	29.27	46.17
Long term loans and advances	2.4	54.67	-
Other non-current assets	2.13	1066.58	951.59
	2.14	<u>1866.32</u>	<u>2259.02</u>
		<b>3016.84</b>	<b>3256.78</b>
<b>Current Assets</b>			
Current investments	2.12	-	50.00
Inventories	2.15	43626.71	37554.73
Trade receivables	2.16	33545.42	33520.58
Cash and bank balances	2.17	1005.82	2107.27
Short term loans and advances	2.18	17439.66	16690.36
Other current assets	2.19	<u>125.50</u>	<u>42.00</u>
		<b>95743.11</b>	<b>89964.94</b>
<b>TOTAL</b>		<b><u>106329.88</u></b>	<b><u>100727.78</u></b>
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  
ICAI Firm Registration No. 100186W

SACHIN A. NEGANDHI  
Partner  
(Membership No.112888)

Mumbai, 19<sup>th</sup> May, 2016



THE INDIAN HUME PIPE COMPANY LIMITED

M. S. RAJADHYAKSHA  
Chief Financial Officer

S. M. MANDKE  
Company Secretary

Mumbai, 19<sup>th</sup> May, 2016

For and on behalf of the Board

RAJAS R. DOSHI Chairman & Managing Director

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

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note	For the Year 2015-16	For the Year 2014-15
₹ in Lacs			
<b>INCOME</b>			
Revenue from operations	2.20	<b>93893.91</b>	100985.93
Other income	2.21	<b>295.91</b>	956.45
<b>Total Revenue</b>		<b>94189.82</b>	101942.38
<b>EXPENSES</b>			
Cost of materials consumed	2.22	<b>9426.62</b>	14122.37
Changes in inventories of Finished Goods, Work in Progress and Stock in Trade	2.23	<b>658.30</b>	(799.15)
Construction expenses	2.24	<b>61758.73</b>	63880.54
Manufacturing and other expenses	2.25	<b>984.48</b>	1303.98
Employee benefits expenses	2.26	<b>5078.74</b>	5183.47
Excise duty and taxes	2.27	<b>3199.66</b>	3404.33
Finance costs	2.28	<b>4526.05</b>	4829.55
Depreciation and amortization expenses	2.29	<b>980.40</b>	1213.21
Other expenses	2.30	<b>3091.35</b>	2919.70
<b>Total Expenses</b>		<b>89704.33</b>	96058.00
Profit before exceptional items and tax		<b>4485.49</b>	5884.38
Exceptional items	2.31	-	312.35
<b>Profit Before Tax</b>		<b>4485.49</b>	6196.73
Tax expenses			
Current tax		<b>1707.32</b>	2178.00
Deferred tax		<b>(131.80)</b>	(138.00)
Income tax (Total)		<b>1575.52</b>	2040.00
<b>Profit for the year</b>		<b>2909.97</b>	4156.73
Earnings per equity share	2.40		
Nominal value per share ₹ 2/- ( Previous Year ₹ 2/- )			
(1) Basic and Diluted (including exceptional items)		<b>12.01</b>	17.16
(2) Basic and Diluted (excluding exceptional items)		<b>12.01</b>	15.87
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  
ICAI Firm Registration No. 100186W

SACHIN A. NEGANDHI  
Partner  
(Membership No.112888)

Mumbai, 19<sup>th</sup> May, 2016

M. S. RAJADHYAKSHA  
Chief Financial Officer  
  
S. M. MANDKE  
Company Secretary

Mumbai, 19<sup>th</sup> May, 2016

For and on behalf of the Board

RAJAS R. DOSHI Chairman & Managing Director

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

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	₹ in Lacs	
	2015-16	2014-15
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	4485.49	6196.73
Adjusted for		
Depreciation and amortisation expenses	980.40	1213.21
Interest & other finance expenses	4526.05	4829.55
Bad debts written off	86.08	124.22
Interest income	(65.85)	(137.23)
Dividend income	(3.38)	(7.83)
Profit on sale of fixed assets	(14.79)	(637.38)
Loss on sale of investment	0.35	-
Operating profit before working capital changes	<u>9994.35</u>	<u>11581.27</u>
Adjusted for		
Trade and other receivables	(319.95)	(11583.08)
Inventories	(6071.98)	(2046.76)
Trade and other payables	3369.74	3314.76
	<u>(3022.19)</u>	<u>(10315.08)</u>
Cash Generated from Operations	6972.16	1266.19
Direct taxes paid	(2397.88)	(1658.40)
<b>Net Cash from Operating Activities</b>	<u>4574.28</u>	<u>(392.21)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1057.54)	(752.61)
Sale of fixed assets	28.06	1115.94
Sale of investments	66.55	66.93
Interest received	(12.30)	130.79
Dividend received	3.38	7.83
<b>Net Cash Flow from Investing Activities</b>	<u>(971.85)</u>	<u>568.88</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	8684.61	10769.42
Repayment of short term borrowings	(6764.59)	(4785.37)
Repayment of long term borrowings	(686.78)	(187.50)
Dividends paid	(1501.86)	(581.37)
Interest & other finance expenses paid	(4532.01)	(4774.63)
<b>Net Cash used in Financing Activities</b>	<u>(4800.63)</u>	<u>440.55</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(1198.20)</u>	<u>617.22</u>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	1858.35	1241.13
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	<u>660.15</u>	<u>1858.35</u>
	<u>(1198.20)</u>	<u>617.22</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  
ICAI Firm Registration No. 100186W

SACHIN A. NEGANDHI  
Partner  
(Membership No.112888)

M. S. RAJADHYAKSHA  
Chief Financial Officer

S. M. MANDKE  
Company Secretary

Mumbai, 19<sup>th</sup> May, 2016



THE INDIAN HUME PIPE COMPANY LIMITED

For and on behalf of the Board

RAJAS R. DOSHI Chairman & Managing Director

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

Mumbai, 19<sup>th</sup> May, 2016

# 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 u/s133 of the Act, read with Rules 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

## 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. Contract Revenue

#### Construction Contract Accounting

- 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. Trade Receivables include Work bills, Work & Other Retentions receivable.
- c. Advances against Work in Progress received from Contractees are presented as a reduction from the Contract Work in Progress and Trade Receivables.
- 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: 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 Revenue includes inventories against contracts at Factory and Project site/location 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 estimated 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 Government Grants and Subsidies

Government Grants and subsidies are recognised when there is reasonable assurance that the conditions attached to them will be complied and grant/subsidy will be received.

## 1.6 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.

## 1.7 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.

## SIGNIFICANT ACCOUNTING POLICIES

### 1.8 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 and 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 as at the reporting date.
- 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.

### 1.9 Depreciation and Amortization

Depreciation on the assets is provided on Written Down Value Method on pro-rata basis as per the rates prescribed in Part C of Schedule II to the Companies Act, 2013. 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.

### 1.10 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.

### 1.11 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.

### 1.12 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.

### 1.13 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.
- c) Monetary assets and liabilities are translated at the exchange rate prevailing on the last day of the year.

### 1.14 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 cost or net realisable value 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.
- f. Stock in trade of land is valued at cost or net realisable value whichever is lower.

### 1.15 Employee 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 Statement of Profit & Loss. There are no 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.



## SIGNIFICANT ACCOUNTING POLICIES

The contributions as specified under law are 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.
- 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.

### 1.16 **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.

### 1.17 **Leases**

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

### 1.18 **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.

### 1.19 **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 MARCH 31, 2016

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
5,00,00,000 (5,00,00,000) Equity Shares of ₹ 2/- each.	<u>1000.00</u>	<u>1000.00</u>
<b>Issued, Subscribed and Paid-up</b>		
2,42,23,585 (2,42,23,585) Equity Shares of ₹ 2/- each fully paid-up.	<b>484.47</b>	484.47
a) 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.		
b) Reconciliation of number of shares :		
There was no movement in the number and value of equity shares during the year.		
c) 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 interim dividend proposed and paid by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
d) Details of shares held by shareholders holding more than 5% of aggregate shares in the Company.		

Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
	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 MARCH 31, 2016

₹ in Lacs

Particulars		As at March 31, 2016	As at March 31, 2015
<b>2.2 RESERVES AND SURPLUS</b>			
a) General Reserve - Opening balance	13281.76		12307.09
Add: Transferred from Surplus	1000.00		1000.00
		14281.76	13307.09
Less: Adjustment due to change in Depreciation as per Part C of Schedule II of the Company's Act, 2013		-	25.33
		14281.76	13281.76
b) Surplus- Opening Balance	14922.11		12640.05
Add: Net profit after tax transferred from Statement of Profit and Loss	2909.97		4156.73
Amount available for Appropriation		17832.08	16796.78
Less: Appropriations			
Interim Dividend	775.15		-
Tax on Interim Dividend	157.80		-
Proposed Dividend	-		726.71
Tax on Proposed Dividend	-		147.96
General Reserve	1000.00		1000.00
		1932.95	1874.67
Surplus - Closing Balance		15899.13	14922.11
<b>TOTAL</b>		<b>30180.89</b>	<b>28203.87</b>
<b>2.3 LONG TERM BORROWINGS</b>			
Secured:			
i) Long Term Loan from HDFC Bank Ltd.	2062.50		2812.50
Less: Current Maturities	750.00		750.00
		1312.50	2062.50
Secured by Creation of First Charge on Land at Pattancheru and Choutupal as per the Following Terms: Tenure: 5 years Interest Rate: HDFC Base Rate + 0.96% Repayment Terms: Repayable in 16 Quarterly instalments of ₹ 187.50 Lacs each Commencing From February, 2015 and Last instalment Due on November, 2018.			
ii) Long Term Auto Loan From Kotak Mahindra Prime Ltd	63.22		-
Less: Current Maturities	10.93		-
		52.29	-
Secured against hypothecation of vehicles Tenure: 5 years Interest Rate: 9.25% p.a. Repayment Terms: Repayable in monthly equated instalments			
<b>TOTAL</b>		<b>1364.79</b>	<b>2062.50</b>
<b>2.4 DEFERRED TAX (ASSETS) AND LIABILITIES (NET)</b>			
Deferred tax liability for the period ended March 31, 2016 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		930.33	391.39
Deferred tax assets			
Provision for doubtful debts and advances		5.85	5.85
Disallowances under Income Tax Act, 1961		979.15	296.63
<b>TOTAL</b>		<b>(54.67)</b>	<b>88.91</b>

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>2.5 OTHER LONG TERM LIABILITIES</b>		
Income Tax provision for earlier years	520.59	520.59
Advances/Deposits from Contractees	111.30	129.23
Others	1482.81	1833.85
<b>TOTAL</b>	<b>2114.70</b>	<b>2483.67</b>
<b>2.6 LONG TERM PROVISIONS</b>		
Provision for employee benefits		
For Compensated Absences	234.47	211.81
<b>TOTAL</b>	<b>234.47</b>	<b>211.81</b>
<b>2.7 SHORT TERM BORROWINGS</b>		
I Secured Loans		
A) Cash Credit/Working Capital		
Demand Loans From Banks		
i) State Bank of India	3501.85	490.90
ii) State Bank of Hyderabad	203.97	294.20
iii) Bank of Baroda	10.39	11.42
iv) Corporation Bank	203.73	172.74
v) HDFC Bank Ltd.	96.09	769.42
	<b>4016.03</b>	1738.68
B) Short Term Loans from Banks		
i) State Bank of India	11500.00	12000.00
ii) State Bank of Hyderabad	1000.00	1000.00
iii) HDFC Bank Ltd.	6500.00	3500.00
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 at Base Rate +2.50% to 4.50% for item A and for item B it is @ 9.75% to 9.90% p.a. Loans under (A) above are payable on Demand and that under (B) above are for a period between 90 days to 180 days from the date of availment.		
iv) State Bank of Hyderabad	2000.00	2000.00
The above facility is secured under Subservient Charge on the entire movable Fixed Assets & Current Assets of the Company, carrying rate of interest at SBH Base rate +0.15%.		
II Unsecured Loans		
Short-term loans from Banks		
i) Bank of Nova Scotia	-	3500.00
ii) HDFC Bank Ltd.	2000.00	4000.00
iii) Doha Bank QSC	2500.00	-
	<b>4500.00</b>	7500.00
The above loans are payable within 30 to 90 days from the date of availment and carry interest @ 9.60% to 9.75% p.a.		
III Invoice Discounting Facility from HDFC Bank Ltd.	142.67	-
<b>TOTAL</b>	<b>29658.70</b>	<b>27738.68</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>2.8 TRADE PAYABLES</b>		
Trade Payables		
a) Due to micro, small & medium enterprises	4.59	96.98
b) Due to other than micro, small & medium enterprises	25717.41	23118.63
<b>TOTAL</b>	<b>25722.00</b>	<b>23215.61</b>
<b>2.9 OTHER CURRENT LIABILITIES</b>		
Employee benefits payable	603.62	710.59
Interest accrued and not due on borrowings	205.35	211.31
Investor education and protection fund will be credited by following amounts ( as and when due )		
a) Unpaid dividends	61.71	37.98
b) Unclaimed matured deposits	1.05	1.25
	<b>62.76</b>	<b>39.23</b>
Security deposits and other retentions	1512.29	102.48
Advances/Deposits from Contractees	3560.98	8077.00
Withholding and other taxes payable	366.65	271.41
Current account: Directors (Max balance ₹ 1.49 lacs Previous Year ₹ 1.49 lacs )	1.40	1.39
Current Maturities of Long Term Loans	750.00	750.00
Current Maturities of Long Term Auto Loan	10.93	-
Other Liabilities	9089.44	4759.52
<b>TOTAL</b>	<b>16163.42</b>	<b>14922.93</b>

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.

<b>2.10 SHORT TERM PROVISIONS</b>		
Provision for employee benefits		
Provision for gratuity	117.75	161.43
Provision for compensated absence	287.82	262.50
Proposed dividend	-	726.71
Provision for tax on proposed dividend	-	147.96
Provision for Wealth Tax	0.87	8.37
Provision for Fringe Benefit Tax	-	108.50
Less: Advance Payment of Fringe Benefit Tax	-	100.14
	-	8.36
<b>TOTAL</b>	<b>406.44</b>	<b>1315.33</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.11 FIXED ASSETS

₹ in Lacs

Sr. No.	DESCRIPTION	GROSS BLOCK (at book value)				DEPRECIATION / AMORTISATION					NET BLOCK	
		As at 01-04-2015	Additions	Deductions / Adjustments	As at 31-03-2016	As at 01-04-2015	Deductions / Adjustments	Adjustments (Transitional Provision)	For the Period	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
<b>A) Tangible Assets</b>												
1	Free hold Land	1231.76	-	-	<b>1231.76</b>	-	-	-	-	-	<b>1231.76</b>	1231.76
2	Lease hold Land	0.08	-	-	<b>0.08</b>	-	-	-	-	-	<b>0.08</b>	0.08
3	Buildings	6454.55	228.64	0.37	<b>6682.82</b>	2749.44	0.37	-	331.41	<b>3080.48</b>	<b>3602.34</b>	3705.11
4	Plant, Machinery and Equipment	6682.20	410.95	106.18	<b>6986.97</b>	4508.28	98.82	-	512.31	<b>4921.77</b>	<b>2065.20</b>	2173.92
5	Furniture and Fixtures	141.73	9.40	6.38	<b>144.75</b>	109.66	5.66	-	12.95	<b>116.95</b>	<b>27.80</b>	32.07
6	Vehicles	916.47	154.48	73.18	<b>997.77</b>	654.97	68.27	-	93.87	<b>680.57</b>	<b>317.20</b>	261.50
7	Office Equipment	105.22	10.35	5.18	<b>110.39</b>	82.35	4.89	-	11.18	<b>88.64</b>	<b>21.75</b>	22.87
	<b>Total Tangible Assets</b>	<b>15532.01</b>	<b>813.82</b>	<b>191.29</b>	<b>16154.54</b>	<b>8104.70</b>	<b>178.01</b>	<b>-</b>	<b>961.72</b>	<b>8888.41</b>	<b>7266.13</b>	<b>7427.31</b>
<b>B) Intangible Assets</b>												
1	Computer Software	84.17	18.65	-	<b>102.82</b>	39.97	-	-	18.68	<b>58.65</b>	<b>44.17</b>	44.20
2	Patents	3.45	-	-	<b>3.45</b>	3.44	-	-	-	<b>3.44</b>	<b>0.01</b>	0.01
	<b>Total Intangible Assets</b>	<b>87.62</b>	<b>18.65</b>	<b>-</b>	<b>106.27</b>	<b>43.41</b>	<b>-</b>	<b>-</b>	<b>18.68</b>	<b>62.09</b>	<b>44.18</b>	<b>44.21</b>
	<b>Grand Total</b>	<b>15619.63</b>	<b>832.47</b>	<b>191.29</b>	<b>16260.81</b>	<b>8148.11</b>	<b>178.01</b>	<b>-</b>	<b>980.40</b>	<b>8950.50</b>	<b>7310.31</b>	<b>-</b>
	<b>Total of Previous Year</b>	<b>15385.52</b>	<b>812.55</b>	<b>578.44</b>	<b>15619.63</b>	<b>6996.41</b>	<b>99.88</b>	<b>38.37</b>	<b>1213.21</b>	<b>8148.11</b>	<b>-</b>	<b>7471.52</b>
	<b>Capital Work in Progress</b>										<b>259.62</b>	34.54
	<b>Total</b>										<b>7569.93</b>	7506.06



# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

## 2.12 INVESTMENTS

₹ In Lacs

Sr. No.	PARTICULARS	NOS.		FACE VALUE EACH	As at March 31, 2016			As at March 31, 2015		
		2016	2015		COST OR BOOK VALUE (UNQUOTED)	COST OR BOOK VALUE (QUOTED)	MARKET VALUE	COST OR BOOK VALUE (UNQUOTED)	COST OR BOOK VALUE (QUOTED)	MARKET VALUE
		<b>NON - CURRENT INVESTMENTS</b>								
<b>A.</b>	<b>LONG TERM INVESTMENTS</b>									
	<b>TRADE INVESTMENT :</b>									
	<b>IN CO-OPERATIVE SOCIETIES :</b>									
	- Mohan Small Scale Industries Co-operative Society Limited shares (Fully Paid)	1	1	1000	0.01	-	-	0.01	-	-
	- Adinath Co-operative Housing Society Limited - Shares(Fully Paid)	20	20	50	0.01	-	-	0.01	-	-
	- Shushrusha Citizens' Co-operative Hospital Ltd. Shares (Fully Paid)	100	100	100	0.10	-	-	0.10	-	-
	- Hind Co.Operative Housing Society Ltd. - Shares (Fully Paid)	5	5	50	-	-	-	-	-	-
	- Las Palmas Co.Operative Housing Society Ltd. - Shares (Fully Paid)	10	10	50	0.01	-	-	0.01	-	-
	- Ashok Kumar Towers Co-operative Housing Society Ltd. - Shares (Fully Paid)	5	5	50	-	-	-	-	-	-
	- Dosti Jupiter Co-op Housing Society Ltd. [Flat No. 201& 601] - Shares (Fully Paid)	20	20	50	0.01	-	-	0.01	-	-
	- Raheja Acropolis II Adonis Augustus CHS Ltd. [Flat No. 1004 & 1104] - Shares (Fully Paid)	20	20	50	0.01	-	-	0.01	-	-
	<b>OTHERS :</b>									
	<b>IN GOVERNMENT SECURITIES :</b>									
	G. P. Notes				0.08	-	-	0.08	-	-
	Post Office Savings Certificates				0.02	-	-	0.02	-	-
	<b>IN SHARES,DEBENTURES AND BONDS:</b>									
	<b>IN EQUITY /PREFERANCE SHARES (Fully Paid)</b>									
	- Kapole Co-Operative Bank Ltd.	2000	2000	10	0.20	-	-	0.20	-	-
	- The Saraswat Co-operative Bank Ltd.	500	500	10	0.01	-	-	0.01	-	-
	- Prestressed Concrete Pipe Manufacturers Association of India	1	1	10	-	-	-	-	-	-
	- Hindustan Construction Co. Ltd.	320000	320000	1	-	9.92	62.88	-	9.92	104.48
	- Tata Consultancy Services Ltd.	4000	4000	1	-	8.50	100.64	-	8.50	101.88
	- National Thermal Power Corporation Ltd.	16759	16759	10	-	10.39	21.59	-	10.39	24.69
	<b>IN DEBENTURES (Fully Paid-Bonus)</b>									
	- National Thermal Power Corporation Ltd.	16759	16759	12.50	-	-	-	-	-	-
<b>B.</b>	<b>REAL ESTATE-PMS</b>									
	- HDFC AMC Real Estate Portfolio				-	-	-	16.90	-	-
<b>TOTAL NON - CURRENT INVESTMENTS</b>					<b>0.46</b>	<b>28.81</b>	<b>185.11</b>	<b>17.36</b>	<b>28.81</b>	<b>231.05</b>
					<b>29.27</b>			<b>46.17</b>		

<b>CURRENT INVESTMENTS</b>										
<b>CURRENT INVESTMENT:</b>										
<b>IN CAPITAL TAX SAVINGS BONDS</b>										
	- National Highways Authority Of India	-	500	10000	-	-	-	50.00	-	-
<b>TOTAL CURRENT INVESTMENTS</b>								<b>50.00</b>		

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>2.13 LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good		
Capital advances	548.57	397.95
Security and other deposits	488.05	503.24
Advances recoverable in cash or kind	29.96	50.40
<b>TOTAL</b>	<b>1066.58</b>	<b>951.59</b>
<b>2.14 OTHER NON-CURRENT ASSETS</b>		
Unsecured considered good		
Long term trade receivables	1830.31	2172.93
Others	36.01	86.09
<b>TOTAL</b>	<b>1866.32</b>	<b>2259.02</b>
<b>2.15 INVENTORIES</b>		
Raw Materials, Stores & Spares		
Raw Materials (Includes in Transit ₹ Nil Previous Year ₹ 5.41 lacs)	1131.22	1794.65
Stores and Spares	605.54	533.05
Loose Tools	190.29	218.76
	<b>1927.05</b>	2546.46
Bought-out Items	764.70	807.30
Stock in Trade & Work in Progress		
Finished Goods	1099.39	1746.58
Work in Progress	15.25	26.36
	<b>1114.64</b>	1772.94
Contract Work in Progress		
Work in Progress: Value of Work Done at Contract Rates		
i) At Laying Site	36458.33	32503.36
ii) At Factory & Project Location	3366.06	1509.38
	<b>39824.39</b>	34012.74
Less: Progress Payments and Advances from contractees to the extent of value of work done	<b>804.23</b>	2182.81
	<b>39020.16</b>	31829.93
Stock in trade - Land (Ref Note No.: 2.36)	800.16	598.10
<b>TOTAL</b>	<b>43626.71</b>	<b>37554.73</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>2.16 TRADE RECEIVABLES</b>		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	<b>1568.60</b>	12122.83
Others	<b>32161.27</b>	22153.28
Less: Progress Payments and Advances from contractees to the extent of value of work billed	<b>184.45</b>	755.53
Unsecured, considered doubtful	<b>31976.82</b>	21397.75
Outstanding for a period exceeding six months from the date they are due for payment	<b>16.91</b>	16.91
Less: Provision for doubtful debts	<b>16.91</b>	16.91
	-	-
<b>TOTAL</b>	<b>33545.42</b>	<b>33520.58</b>
<b>2.17 CASH AND BANK BALANCES</b>		
Cash and Cash equivalents		
Cash on Hand	<b>17.80</b>	21.44
Cheques on Hand	<b>464.53</b>	1522.37
Balances with Banks in Current Accounts	<b>177.82</b>	314.54
	<b>660.15</b>	1858.35
Other Bank Balances		
Deposits with Banks *	<b>121.20</b>	106.67
Margin money deposits	<b>162.76</b>	104.27
Unpaid dividend account	<b>61.71</b>	37.98
	<b>345.67</b>	248.92
<b>TOTAL</b>	<b>1005.82</b>	<b>2107.27</b>
* Includes deposits with maturity of more than 12 months (Current Year ₹ 35.95 lacs Previous Year ₹ 33.09 lacs)		
<b>2.18 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured - considered good		
Advances receivable in cash or kind		
Other loans and advances		
Advance Payment of Taxes	<b>7130.57</b>	5522.59
Less: Provision for Taxation	<b>6190.78</b>	4947.46
	<b>939.79</b>	575.13
Deposits with Excise and Other Departments	<b>1257.99</b>	180.87
Security Deposits and Other Deposits	<b>4151.79</b>	4456.43
Others	<b>11090.09</b>	11477.93
<b>TOTAL</b>	<b>17439.66</b>	<b>16690.36</b>
<b>2.19 OTHER CURRENT ASSETS</b>		
Unsecured - considered good		
Interest Receivable		
Interest accrued on Deposits	<b>120.15</b>	42.00
Other Receivable	<b>5.35</b>	-
<b>TOTAL</b>	<b>125.50</b>	<b>42.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	For the year 2015-16	For the year 2014-15
<b>2.20 REVENUE FROM OPERATIONS</b>		
Sales of products	13002.04	11610.35
Less: Excise Duty	<u>1484.92</u>	<u>1240.11</u>
	11517.12	10370.24
Contract Revenue	80819.88	90183.46
Add: Closing work in progress	5408.40	4053.95
Less: Opening work in progress	<u>4053.95</u>	<u>4224.66</u>
	82174.33	90012.75
<b>Other Operating Income</b>		
Miscellaneous Income	111.47	330.32
Liabilities written back to the extent no longer required	47.50	130.60
Sale of Scrap	<u>43.49</u>	<u>142.02</u>
	202.46	602.94
<b>TOTAL</b>	<u><u>93893.91</u></u>	<u><u>100985.93</u></u>
<b>2.21 OTHER INCOME</b>		
Dividend from long term investments	3.38	7.83
Interest Income	65.85	137.23
Profit On Sale of Fixed Assets / Investments (Net)	14.44	637.38
Interest Received on Income Tax Refund	91.16	48.32
Miscellaneous Income	121.08	125.69
<b>TOTAL</b>	<u><u>295.91</u></u>	<u><u>956.45</u></u>
<b>2.22 COST OF MATERIALS CONSUMED</b>		
Raw Materials Consumed		
Opening Inventory	1794.65	1705.69
Add: Purchases	<u>8143.92</u>	<u>13418.35</u>
	9938.57	15124.04
Less: Inventory at the end of the year	<u>1131.22</u>	<u>1794.65</u>
	8807.35	13329.39
Stores and Spares Consumed	619.27	792.98
<b>TOTAL</b>	<u><u>9426.62</u></u>	<u><u>14122.37</u></u>





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	For the year 2015-16	For the year 2014-15
<b>2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
I (Increase) / Decrease in Finished Goods & Work-in-Progress		
A) Stock at the end of the year		
Finished Goods	1099.39	1746.58
Work-in-progress	<u>15.25</u>	<u>26.36</u>
Total A	<b>1114.64</b>	1772.94
B) Stock at the beginning of the year		
Finished Goods	1746.58	843.27
Work-in-progress	<u>26.36</u>	<u>130.52</u>
Total B	<b>1772.94</b>	973.79
<b>TOTAL I ( B-A )</b>	<b><u>658.30</u></b>	<b><u>(799.15)</u></b>
II (Increase) / Decrease in Stock in trade - Land		
Stock at the beginning of the year	598.10	137.05
Add: Additions during the year	-	399.25
Add: Legal and Professional charges	<u>202.06</u>	<u>61.80</u>
	<b>800.16</b>	598.10
Less: Stock at the end of the year	<b>800.16</b>	598.10
TOTAL II	<u>-</u>	<u>-</u>
<b>TOTAL (I + II)</b>	<b><u>658.30</u></b>	<b><u>(799.15)</u></b>
<b>2.24 CONSTRUCTION EXPENSES</b>		
Subcontracting Expenses	37024.00	35675.50
Construction Expenses Others	231.45	498.40
Consumption of Bought out Items		
Opening Inventory	807.30	1472.70
Add: Purchases	<u>22337.93</u>	<u>23887.87</u>
	<b>23145.23</b>	25360.57
Less: Inventory at the end of the year	<u>764.70</u>	<u>807.30</u>
	<b>22380.53</b>	24553.27
Transport	2122.75	3153.37
<b>TOTAL</b>	<b><u>61758.73</u></b>	<b><u>63880.54</u></b>
<b>2.25 MANUFACTURING AND OTHER EXPENSES</b>		
Fabrication Charges	612.15	829.99
Lining and Outcoating Expenses	50.12	101.30
Power & Fuel	322.21	372.69
<b>TOTAL</b>	<b><u>984.48</u></b>	<b><u>1303.98</u></b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	For the year 2015-16	For the year 2014-15
<b>2.26 EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Bonus & Commission	4356.69	4454.98
Contribution to / Provision for Provident fund and Other Funds	559.16	575.08
Staff Welfare Expenses	162.89	153.41
<b>TOTAL</b>	<u>5078.74</u>	<u>5183.47</u>
<b>2.27 EXCISE DUTY AND TAXES</b>		
Excise Duty	44.53	337.71
Works Contract Tax	2388.04	2037.75
Other Taxes	767.09	1028.87
<b>TOTAL</b>	<u>3199.66</u>	<u>3404.33</u>
<b>2.28 FINANCE COSTS</b>		
Interest expenses on		
Long Term Loans	258.77	333.18
Short Term Loans	2738.45	2225.93
Cash Credits & Others	<u>765.58</u>	<u>1559.39</u>
	3762.80	4118.50
Other borrowing costs	763.25	711.05
<b>TOTAL</b>	<u>4526.05</u>	<u>4829.55</u>
<b>2.29 DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Tangible assets	961.72	1197.10
Amortisation on Intangible assets	18.68	16.11
<b>TOTAL</b>	<u>980.40</u>	<u>1213.21</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	₹ in Lacs	
	For the year 2015-16	For the year 2014-15
<b>2.30 OTHER EXPENSES</b>		
a) Printing and Stationery	75.80	74.18
b) Communication Expenses	84.21	72.56
c) Travelling and Conveyance	498.48	503.36
d) Rent	384.86	404.23
Less: Recovery	1.99	39.70
	<b>382.87</b>	364.53
e) Rates and Taxes	143.98	135.67
f) Insurance	376.19	321.36
g) Repairs:		
Machinery	181.32	231.40
Buildings	39.31	47.27
Others	149.26	149.37
	<b>369.89</b>	428.04
h) Legal and Professional Charges	316.24	236.20
i) Directors' Sitting Fees	32.40	14.20
j) Commission to Non Executive Directors	32.00	24.00
k) Payment to Auditors' (Including Branch Auditors)		
As Auditor:		
Audit Fees	21.00	17.50
Tax Audit Fees	4.45	3.55
Certification & Consultation Fees	2.67	3.46
Cost Audit Fees	1.00	3.00
Reimbursement of Expenses	0.68	0.93
	<b>29.80</b>	28.44
l) Freight	37.23	22.56
m) Bad Debts and Advances Written Off	86.08	124.22
n) Donations (Ref. Note No.: 2.37)	102.30	83.10
o) Miscellaneous Expenses	523.88	487.28
<b>TOTAL</b>	<b>3091.35</b>	2919.70
<b>2.31 EXCEPTIONAL ITEMS</b>		
Provisions No Longer Required Written back for Interest on income tax refund u/s (80IA) for earlier years.	-	312.35
<b>TOTAL</b>	<b>-</b>	312.35

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	₹ in Lacs	
	2015-16	2014-15
<b>2.32 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):</b>		
<b>1 Contingent Liabilities</b>		
a) Guarantees given by the Banks	<b>41622.55</b>	30177.36
b) Claims against the company not acknowledged as debts	<b>120.59</b>	136.27
c) Sales Tax / VAT demand under appeal	<b>3786.89</b>	3350.94
d) Demands raised by Excise department excluding interest, if any, leviable thereon.	<b>1513.89</b>	1495.21
e) Service Tax demand under appeal	<b>12717.82</b>	11468.31
The Management believes that the outcome of any pending litigation will not have a material adverse effect on the Company's financial position and the results of operations.		
<b>2 Capital Commitments</b>		
Commitments for Capital Expenditure are estimated at	<b>137.27</b>	442.37

### 2.33 Related party disclosures

#### A. Names of Related Parties & Nature of Relationship

Sr No	Names of Related Party	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
iv	Mr. Mayur R. Doshi (Executive Director)	
v	Mr. S. M. Mandke (Company Secretary)	
vi	Mr. M. S. Rajadhyaksha (Chief Financial Officer)	
vii	Ms. Jyoti R. Doshi. (Director)	
viii	Mr. Aditya R. Doshi	} Relatives of Key Management Personnel
ix	Ms. Anushree M. Doshi	
x	Mobile Systems India Pvt. Ltd.	} Companies in which control exists directly / indirectly
xi	Raj Jyoti Trading & Investment Pvt. Ltd.	
xii	Ms. Anima B. Kapadia (Director)	Other Related Party
xiii	Walchand Hirachand Foundation	} Section 8 of Companies Act, 2013
xiv	Ratanchand Hirachand Foundation	
xv	Smt. Pramila Shantilal Shah Charity Foundation.	
xvi	Verifacts Services Pvt. Ltd.	Company in which a director is interested.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.33 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
<b>1</b>	<b>Dividend Paid For the Year 2014-15</b>					
	a) Ratanchand Investment Pvt. Ltd.	<b>13.08</b> (10.47)				
	b) IHP Finvest Ltd.		<b>479.01</b> (383.21)			
	c) Mr. Rajas R. Doshi (C & MD)			<b>6.14</b> (4.91)		
	d) Mr. Mayur R. Doshi (Executive Director)			<b>2.58</b> (2.06)		
	e) Ms. Jyoti R. Doshi (Director)				<b>4.70</b> (3.76)	
	f) Mr. Aditya R. Doshi				<b>2.60</b> (2.08)	
	g) Mr. M. S. Rajadhyaksha & Relatives (Chief Financial Officer)			<b>0.03</b> (0.02)	<b>0.03</b> (0.02)	
	h) Mr. S. M. Mandke & Relatives (Company Secretary)			-	<b>0.05</b> (0.04)	
<b>2</b>	<b>Interim Dividend Paid For the Year 2015-16</b>					
	a) Ratanchand Investment Pvt. Ltd.	<b>13.96</b> (-)				
	b) IHP Finvest Ltd.		<b>510.94</b> (-)			
	c) Mr. Rajas R. Doshi (C & MD)			<b>6.55</b> (-)		
	d) Mr. Mayur R. Doshi (Executive Director)			<b>2.75</b> (-)		
	e) Ms. Jyoti R. Doshi (Director)				<b>5.01</b> (-)	
	f) Mr. Aditya R. Doshi				<b>2.78</b> (-)	
	g) Mr. M. S. Rajadhyaksha & Relatives (Chief Financial Officer)			<b>0.03</b> (-)	<b>0.03</b> (-)	
	h) Mr. S. M. Mandke & Relatives (Company Secretary)			-	<b>0.05</b> (-)	
<b>3</b>	<b>Rent and Other Related Expenses</b>					
	IHP Finvest Ltd		<b>162.18</b> (154.54)			
<b>4</b>	<b>Sitting Fees</b>					
	a) Ms. Jyoti R. Doshi (Director)				<b>3.20</b> (1.20)	
	b) Ms. Anima B. Kapadia (Director)					<b>3.60</b> (1.60)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

₹ in Lacs						
Sr No.	Transactions	Ultimate Holding Company	Promoter Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Other Related Party
<b>5</b>	<b>Commission to Non Executive Directors</b>					
	a) Ms. Jyoti R. Doshi (Director)				<b>4.00</b> (3.00)	
	b) Ms. Anima B. Kapadia (Director)					<b>4.00</b> (3.00)
<b>6</b>	<b>Remuneration to Key Management Personnel</b>					
	a) Mr. Rajas R. Doshi (C & MD)			<b>246.65</b> (301.57)		
	b) Mr. Mayur R. Doshi (Executive Director)			<b>135.63</b> (135.23)		
	c) Mr. S. M. Mandke (Company Secretary)			<b>31.68</b> (26.29)		
	d) Mr. M. S. Rajadhyaksha (Chief Financial Officer)			<b>35.14</b> (28.83)		
<b>7</b>	<b>Legal and Professional Fees Paid to</b>					
	Ms. Anima B. Kapadia, Director (Sole Proprietor of Daphtary Ferreira Diwan)					<b>94.46</b> (61.80)
<b>8</b>	<b>Amount outstanding payable as on March 31, 2016</b>					
	1 Commission Payable					
	a. Mr. Rajas R. Doshi (C & MD)			<b>38.59</b> (113.41)		
	b. Mr. Mayur R. Doshi (Executive Director)			<b>49.33</b> (60.31)		
	c. Mrs. Jyoti R. Doshi (Director)				<b>3.60</b> (2.70)	
	d. Ms. Anima B. Kapadia (Director)					<b>3.60</b> (2.70)
	2 Current Account: Directors					
	a. Mr. Rajas R. Doshi (C & MD)			<b>0.88</b> (0.88)		
	b. Mr. Mayur R. Doshi (Executive Director)			<b>0.52</b> (0.51)		
<b>9</b>	<b>Donation - Ratanchand Hirachand Foundation</b>					<b>89.00</b> (55.00)
<b>10</b>	<b>Services availed from Verifacts Services Pvt. Ltd.</b>					<b>0.02</b> (-)

(Previous year's figures are shown in brackets)

### 2.34 RESEARCH AND DEVELOPMENT EXPENDITURE

Expenses on Research and Development during the year under various heads amount to ₹ 313.99 lacs (Previous year ₹ 298.09 lacs)

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

### 2.36 STOCK IN TRADE - LAND

During the previous year, the Company had converted Industrial land admeasuring about 27,504.78 sq. mtrs. approximately at Badarpur, New Delhi, hitherto held as Fixed assets into Stock in trade on November 12, 2014 at a book value of ₹ 399.25 lacs.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.37 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 (the Act) a company within the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years (calculated in accordance with the provisions of Section 198 of the Act) on Corporate Social Responsibility (CSR) activities/programs in terms of its CSR policy and Schedule VII of the Act. The areas for CSR activities undertaken by the Company are Health, Medical aid and Education grants etc. The Company has formed its CSR Committee as per the Act and Rules thereon. The Company has incurred CSR Expenditure of ₹ 89 Lacs (Previous year ₹ 55 Lacs) by way of contribution to corpus of Ratanchand Hirachand Foundation, a Section 8 Company promoted by the Promoters of the Company for undertaking CSR activities on behalf of the Company as per CSR Policy read with Schedule VII of the Act. The report on CSR activities and CSR expenditure incurred by the Company for the Financial Year 2015-16 is given in the Directors' Report.

### 2.38 Segment Reporting

Segment Information for the year ended March 31, 2016.  
Information about Primary Segment

₹ in Lacs

Particulars	Business Segments					
	Construction contracts including water supply schemes, pipes supply & laying projects.		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>REVENUE</b>						
External Revenue	92062.77	99685.94	1628.68	697.05	93691.45	100382.99
<b>RESULTS</b>						
Segment results	11158.36	12234.16	(1.87)	89.22	11156.49	12323.38
Unallocated Expenditure net of unallocated income					(2228.62)	(2391.89)
<b>Operating Profit</b>					8927.87	9931.49
Interest and Other Finance Expenses					(4526.05)	(4829.55)
Interest/dividend income net of loss on sale of investment					69.23	145.06
Profit on sale of Fixed Assets & Investments (Net)					14.44	637.38
Income Tax for the year					(1575.52)	(2040.00)
<b>Profit after taxation but before exceptional items</b>					2909.97	3844.38
Exceptional item					-	312.35
<b>Net Profit</b>					2909.97	4156.73
<b>OTHER INFORMATION</b>						
Segment Assets	102673.83	96251.11	1373.38	2509.41	104047.21	98760.52
Unallocated Corporate Assets					2282.67	1967.26
<b>Total Assets</b>					106329.88	100727.78
Segment Liabilities	39855.71	36744.27	181.03	1085.30	40036.74	37829.57
Unallocated Corporate Liabilities					35627.78	34209.87
<b>Total Liabilities</b>					75664.52	72039.44
<b>Capital Expenditure</b>						
For Segment	936.95	723.90	6.11	12.81	943.06	736.71
For Corporate					114.48	15.90
<b>Total Capital Expenditure</b>					1057.54	752.61
<b>Depreciation - Segment</b>						
For Segment	881.23	1091.30	10.22	14.48	891.45	1105.78
For Corporate					88.95	107.43
<b>Total Depreciation</b>					980.40	1213.21

#### 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, Development of Land and Other Miscellaneous items.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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:

1. The nature of products & service
2. 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.

### 2.39 Employee Benefits:

₹ in Lacs

Defined Benefit Plans/Long Term compensated absences - As per Actuarial Valuation as on March 31, 2016.	2015-16		2014-15	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>I Expense recognised in the Statement of Profit &amp; Loss for the year ended March 31, 2016.</b>				
1 Current Service Cost	65.80	107.10	60.50	95.97
2 Interest Cost	109.23	17.88	96.34	15.45
3 Expected return on plan assets	(108.51)	-	(103.93)	-
4 Actuarial (Gains)/Losses	44.30	(72.42)	108.85	(48.54)
Total Expenses	110.82	52.56	161.76	62.88
<b>II Net Assets / (Liability) recognised in the Balance Sheet as at March 31, 2016.</b>				
1 Present Value of Defined Benefit Obligation	1479.86	415.23	1365.38	379.83
2 Fair Value of Plan Assets	1374.47	-	1209.54	-
3 Funded Status [Surplus/(Deficit)]	(105.39)	(415.23)	(155.84)	(379.83)
4 Net Asset/(Liability)	(105.39)	(415.23)	(155.84)	(379.83)
<b>III Change in Obligation during the year ended March 31, 2016.</b>				
1 Present value of Defined Benefit Obligation at the beginning of year	1365.38	379.83	1207.38	336.83
2 Current Service Cost	65.80	107.10	60.50	95.97
3 Interest Cost	109.23	17.88	96.34	15.45
4 Actuarial (Gains) / Losses	44.30	(72.42)	108.85	(48.54)
5 Benefits Payment	(104.85)	(17.16)	(107.69)	(19.88)
6 Present value of Defined Benefit Obligation at the end of year	1479.86	415.23	1365.38	379.83
<b>IV Change in Assets during the year ended March 31, 2016.</b>				
1 Plan Assets at beginning of the year	1209.54	-	1097.00	-
2 Expected return on Plan Assets	108.51	-	103.93	-
3 Contribution by Employers	161.27	17.16	116.30	19.88
4 Actual benefits paid	(104.85)	(17.16)	(107.69)	(19.88)
5 Actuarial Gains/(Losses) on Plan Assets	-	-	-	-
6 Plan Assets at end of the year	1374.47	-	1209.54	-
<b>V Actuarial Assumptions</b>				
1 Discount Rate	8.00%	8.00%	8.00%	8.00%
2 Expected Rate of Return on plan assets	8.35%	8.35%	9.00%	9.00%
3 Mortality Pre-retirement	(1994-96) LIC Ult	(2006-08) IALM Ult	(1994-96) LIC Ult	(2006-08) IALM Ult
4 Rate of increase in compensation	4.00%	4.00%	4.00%	4.00%
5 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.				

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





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### VI Other Disclosure:

	₹ in Lacs				
	2015-16	2014-15	2013-14	2012-13	2011-12
Obligations at year end	1479.86	1365.38	1207.38	1135.20	1033.62
Plan assets at year end, at fair value	1374.47	1209.54	1097.00	1051.12	939.72
<b>Funded status</b>	<b>(105.39)</b>	<b>(155.84)</b>	<b>(110.38)</b>	<b>(84.08)</b>	<b>(93.90)</b>
<b>Experience adjustments</b>					
<b>(Gain)/Loss</b>					
Experience adjustments of plan liabilities	44.30	108.85	82.61	62.40	53.60
Experience adjustments on plan assets	-	-	-	-	-

### VII Accumulated compensated absences (non vesting)

Actuarial valuation of sick leave has been made on March 31, 2016. Provision in respect of this benefit amounts to ₹ 12.57 lacs for the financial year ending March 31, 2016. (Previous year ₹ 9.17 lacs).

### VIII Provident Fund

The Company contributed ₹ 295.36 lacs towards Provident Fund during the year ended March 31, 2016. (Previous year ₹ 269.11 lacs)

### 2.40 Earnings Per Share (EPS)

		2015-16	2014-15
Number of shares		24223585	24223585
Profit after Tax before Exceptional Items	₹ in Lacs	2909.97	3844.38
EPS - Basic & Diluted	₹	12.01	15.87
Profit after Tax after Exceptional Items	₹ in Lacs	2909.97	4156.73
EPS - Basic & Diluted	₹	12.01	17.16

2.41 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act 2006, as at March 31, 2016. The disclosure pursuant to the said Act is as under:

	₹ in Lacs	
	2015-16	2014-15
Principal amount due to suppliers under MSMED Act	4.59	96.98
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.

### 2.42 Raw Material under Broad Heads

	₹ in Lacs	
Particulars	2015-16	2014-15
<b>Consumption</b>		
<b>1 Construction Division</b>		
i) Sand & Metal	645.89	924.08
ii) Cement	1673.12	2057.69
iii) Wire & Rods & HT Wire	2114.29	3458.77
iv) Steel Plates & Sheets	3893.18	5496.25
v) Other Raw Materials & Components	215.28	306.55
<b>2 Sleepers</b>		
i) Sand & Metal	16.63	111.42
ii) Cement	43.42	209.55
iii) Wire & Rods & HT Wire	57.27	382.01
iv) Other Raw Materials	52.54	295.39
<b>3 Air Rifle Division</b>		
i) Seamless Steel Tubes	5.91	5.45
ii) Other Raw Materials	89.82	82.23
<b>Total</b>	<b>8807.35</b>	<b>13329.39</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 2.43 Value of Raw Materials Consumed

₹ in Lacs

	2015-16		2014-15	
	Amount	%	Amount	%
Indigenous	8807.35	100.00	13329.39	100.00
Imported	-	-	-	-
<b>Total</b>	<b>8807.35</b>	<b>100.00</b>	<b>13329.39</b>	<b>100.00</b>
<b>Value of Stores &amp; Spares Consumed</b>				
Indigenous	619.27	100.00	783.75	100.00
Imported	-	-	9.23	-
<b>Total</b>	<b>619.27</b>	<b>100.00</b>	<b>792.98</b>	<b>100.00</b>

### 2.44 Value of Import on C.I.F. Basis

Raw Materials Nil Nil

### 2.45 Expenditure in Foreign Currencies

Travelling & Other expenses 3.85 3.25

### 2.46 Earnings in Foreign Currencies

Export of goods calculated on F.O.B. Basis Nil Nil

2.47 During the previous year, the Company had re-assessed its liability towards interest on income tax provision pertaining to earlier years pursuant to amendment to Section 220 of the Income Tax Act, 1961. Due to this re-assessment and based on legal advice obtained, an amount of ₹ 312.35 lacs towards interest provision of earlier years had been written back and disclosed as an exceptional item during the previous year.

2.48 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	2015-16		2014-15	
			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.KCCPL-IHP-BRC-TAIPPL-KBL	Guthpa Lift Irrigation Scheme.	18.60	272.37	18.60	272.37
4	M/s.TAIPPL-IHP-KCCPL-BRCPL (JV)	Krishna Drinking Water Supply Project Phase II (Package II).	24.00	Nil	24.00	Nil
5	M/s.IHP-KCCPL-BRCPL-TAIPPL (JV)	Krishna Drinking Water Supply Project Phase II (Package IV).	28.00	Nil	28.00	Nil
6	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
7	M/s.Shradha IHP Joint Ventures	Wangana Lift Irrigation Schemes on Dhom, Taluka Koregaon, Dist. Satara.	30.00	Nil	30.00	Nil
8	NCC-MEIL-IHP (JV)	Warangal Municipal Corporation.	15.00	70.00	15.00	70.00
9	IHP-Vishva-MCC (JV)	South of Musi in S11 catchment Zone II under JNNURM Package II.	48.00	150.08	48.00	150.08
10	IHP-MEIL-KCCPL-BRCPL-TAIPPL (JV)	Somasila Reservoir - Package I.	28.00	Nil	28.00	Nil
11	IHP-FPL (JV)	Puliknama Lift Irrigation Scheme	86.00	1757.75	86.00	1757.75
12	IHP-MEIL (JV)	Pulakurthi Lift Irrigation Scheme	80.00	226.53	80.00	226.53
13	IHP-Vishva (JV)	Krishna Drinking Water Supply Project Phase III (Package IV).	60.00	954.20	60.00	954.20
14	KCCPL-SMC-IHP (JV)	Krishna Drinking Water Supply Project Phase III (Package I).	20.00	Nil	20.00	Nil
15	IHP-KP (JV)	Hussainsagar Lake Catchment Improvement Project (Package IV).	55.00	41.25	55.00	41.25
16	NCC-IHP (JV)	Chikalguda Project.	10.00	4.85	10.00	4.85

\* Amount of Bank guarantee is included in 2.32 (1-a).



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

- 2.49** The Company has been recognizing profits of projects after execution of 10% of contract value. This policy is suitable for average contract value of ₹ 70 Crores which Company has generally been receiving. During the current financial year, the Company received two large project orders, one of them being larger than ₹ 500 Crores. During the quarter ended March 31, 2016 the company commenced execution of both projects. To reflect proper margin quarter to quarter, the Company has decided to recognize profit on project order value exceeding ₹ 500 Crores at 7.5% of project contract value and continue to recognize profits of projects smaller than ₹ 500 Crores on execution of 10% of project value. The company believes that this change provides a more appropriate basis for recognition of profit on large orders. Due to this change, profit after tax is higher by ₹ 692.43 lacs being preponed from future accounting periods to the current quarter and year. No similar large order has been executed in the previous year.
- 2.50** In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.
- 2.51** Figures for Previous Year have been regrouped, wherever necessary.

As per our Report of even date

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

SACHIN A. NEGANDHI  
Partner  
Membership No. 112888

Mumbai, 19<sup>th</sup> May, 2016

M. S. RAJADHYAKSHA  
Chief Financial Officer

S. M. MANDKE  
Company Secretary

Mumbai, 19<sup>th</sup> May, 2016

For and on behalf of the Board

RAJAS R. DOSHI Chairman & Managing Director

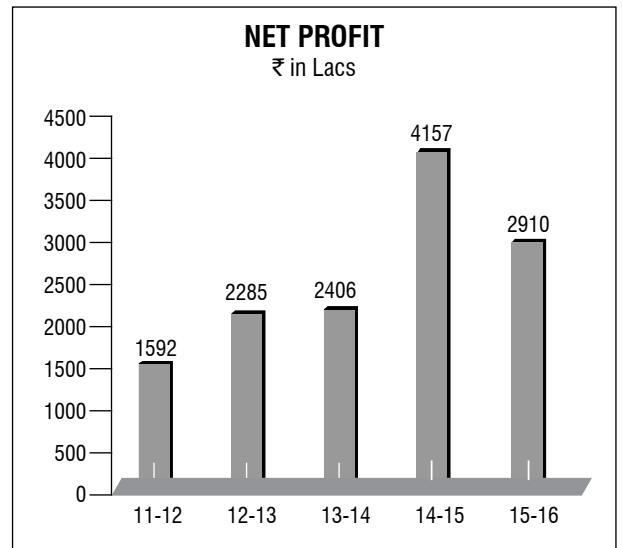
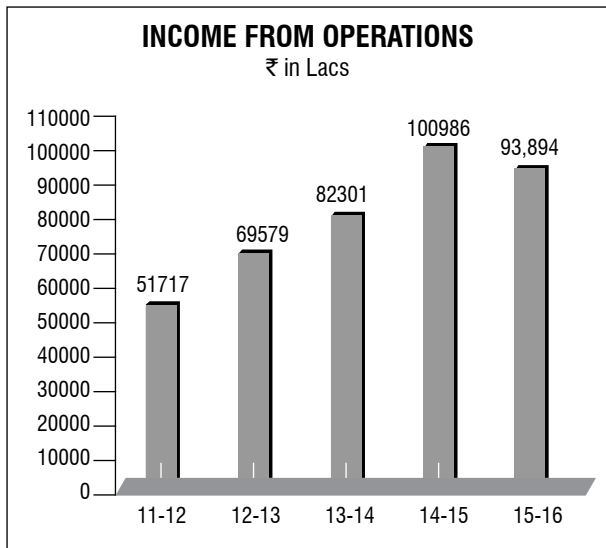
JYOTI R. DOSHI  
RAJENDRA M. GANDHI  
RAMESHWAR D. SARDA  
N. BALAKRISHNAN  
ANIMA B. KAPADIA  
VIJAY KUMAR JATIA  
P. D. KELKAR

Directors

MAYUR R. DOSHI Executive Director

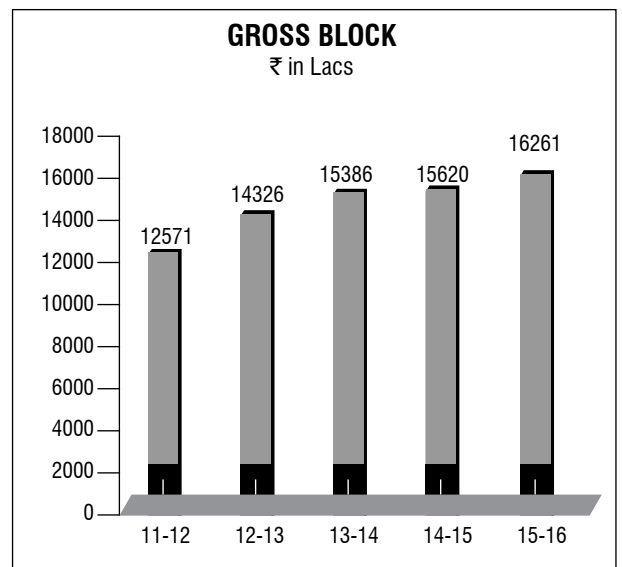
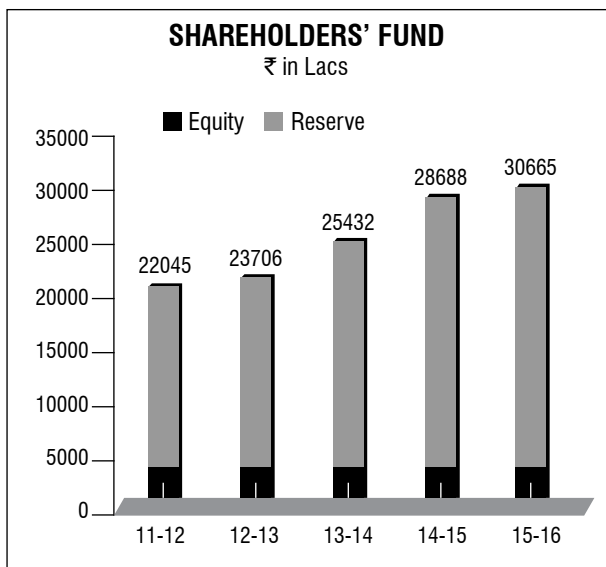
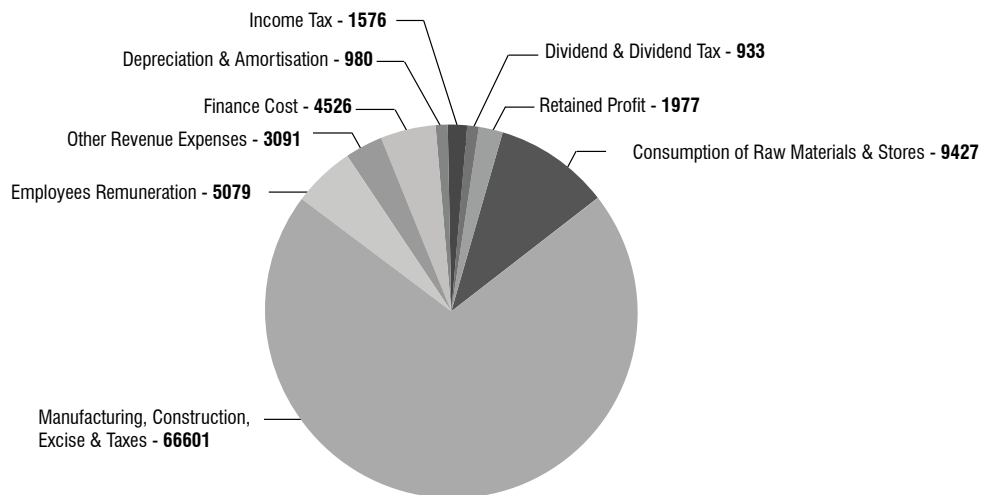
# IMPORTANT FINANCIAL STATISTICS

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	₹ 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	508.86	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	60.00	+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	40.00	-
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										



### DISTRIBUTION OF INCOME, EXPENDITURE AND PROFIT

₹ in Lacs







# THE INDIAN HUME PIPE COMPANY LIMITED

(CIN : L51500MH1926PLC001255)

Regd. Office: Construction House, 2<sup>nd</sup> Floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai – 400001.  
Website: www.indianhumpipe.com Tel.: +91 22 22618091 Fax: + 91 22 22656863.

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

Email ID : \_\_\_\_\_

Folio No. / Client ID : \_\_\_\_\_ DP ID No. \_\_\_\_\_

I / We being the member(s) of \_\_\_\_\_ shares of the abovenamed Company hereby appoint :

1) Name: \_\_\_\_\_ Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_ Signature: \_\_\_\_\_

or failing him/her;

2) Name: \_\_\_\_\_ Address : \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

or failing him/her;

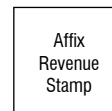
3) Name: \_\_\_\_\_ Address : \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 90<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 27<sup>th</sup> July, 2016 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. no.	RESOLUTIONS	Optional *	
		For	Against
<b>Ordinary Business</b>			
1.	Ordinary Resolution for adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors for the year ended 31st March, 2016.		
2.	Ordinary Resolution for confirmation of payment of Interim Dividend as final Dividend for the financial year ended 31 <sup>st</sup> March, 2016 on Equity Shares of the Company.		
3.	Ordinary Resolution for re-appointment of Mr. Mayur R. Doshi (DIN 00250358) who retires by rotation and being eligible offers himself for re-appointment.		
4.	Ordinary Resolution under Section 139 of the Companies Act, 2013 for ratification of appointment of M/s. K. S. Aiyar & Co., Chartered Accountants, as Statutory Auditors of the Company for the financial year 2016-17 and fixing their remuneration.		
<b>Special Business</b>			
5.	Ordinary Resolution pursuant to Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 for re-appointment of Mr. Mayur R. Doshi as Executive Director of the Company w.e.f.1st April, 2016 to 30th June, 2019.		
6.	Ordinary Resolution for appointment of Branch Auditors for the financial year 2016-17.		
7.	Special Resolution under Section 14 of the Companies Act, 2013 for adoption of set of Articles of Association in substitution of the existing Articles of Association of the Company.		
8.	Ordinary Resolution under Section 148 of the Companies Act, 2013 for ratifying the remuneration of Mr. Vikas Vinayak Deodhar, Cost Accountant, Mumbai as Cost Auditor of the Company for the financial year 2016-17.		

\*It is optional to put (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.



Signature of Shareholder

Signature of Proxyholder(s)

- Notes**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 90<sup>th</sup> Annual General Meeting.
  - Please complete all details including details of member(s) in the above box before submission.



# THE INDIAN HUME PIPE COMPANY LIMITED

(CIN:L51500MH1926PLC001255)

Regd. Office: Construction House, 2<sup>nd</sup> Floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai – 400 001.  
E-mail: info@indianhumepipe.com Website: www.indianhumepipe.com, Tel.:+91-22-40748181/22618091 Fax:+ 91-22-22656863.

## ATTENDANCE SLIP (To be presented at the entrance)

Registered Folio-No./ DP ID/Client ID	
Name and Address of the member(s)	
Joint Holder 1	
Joint Holder 2	

I / We hereby record my/our presence at the 90<sup>th</sup> Annual General Meeting of the Company held on Wednesday, 27<sup>th</sup> July, 2016 at 4.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4<sup>th</sup> Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020.

Member's Folio/DP ID-Client ID No.    Member's / Proxy's name in Block Letters    Member's/Proxy's signature

Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the meeting venue.
2. Electronic copy of the Annual Report for Financial Year 2015-16 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is sent to all the members whose email address is registered with the Depository Participant(s) unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for Financial Year 2015-16 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email address is not registered or who have requested for a hard copy.



## THE INDIAN HUME PIPE COMPANY LIMITED

### REMOTE ELECTRONIC VOTING PARTICULARS

EVEN (Remote E-Voting Event Number)	USER ID	Password / PIN

The Remote e-voting facility will be available during the following voting period:

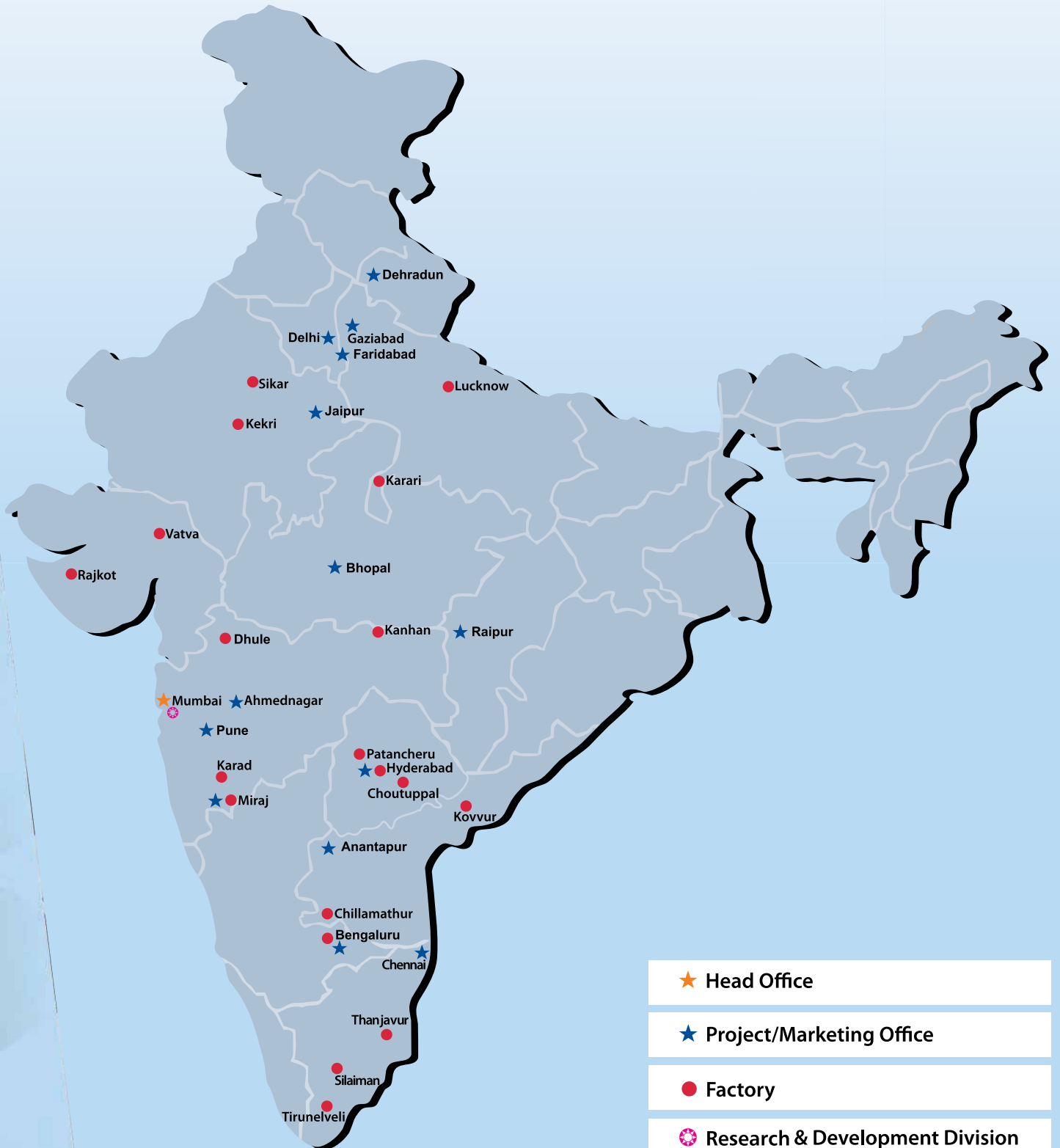
<b>Commencement of Remote e-voting</b>	<b>From Saturday, 23<sup>rd</sup> July, 2016 (9.00 a.m.)</b>
<b>End of Remote e-voting</b>	<b>Up to Tuesday, 26<sup>th</sup> July, 2016 (5.00 p.m.)</b>

Note: During the Remote e-voting period, members of the Company holding shares as on the cut-off date of 20<sup>th</sup> July, 2016 may cast their vote electronically. Any person, who acquires shares of the Company and become a member of the Company after dispatching of the Notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> July, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact NSDL at following toll free no.:1800-222-990 or contact the Company at investorsgrievances@indianhumepipe.com or M/s. Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent at mt.helpdesk@linkintime.co.in..

Please read the instructions given at Note No.21 of the Notice of the 90<sup>th</sup> Annual General Meeting carefully before voting electronically.



# IHP FACTORIES / OFFICES 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 - 2261 8091 / 4074 8181 • Fax: 91 - 22 - 2265 6863

Email: [info@indianhumpipe.com](mailto:info@indianhumpipe.com) • Web: [www.indianhumpipe.com](http://www.indianhumpipe.com)

