



The Indian Hume Pipe Co. Ltd.

Registered Office : Construction House, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001, INDIA
Tel. : +91-22-22618091, +91-22-40748181 • Fax : +91-22-22656863 • E-mail : info@indianhumpipe.com • Visit us at : www.indianhumpipe.com
CIN : L51500MH1926PLC001255

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(₹ in Lakhs)

Sr. No.	PARTICULARS	Quarter ended			Nine months ended	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
		31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
1	Revenue					
	a. Revenue from operations	35756.06	21686.83	40971.80	115102.62	131723.06
	b. Other income	48.92	70.96	40.31	189.09	161.69
	Total revenue	35804.98	21757.79	41012.11	115291.71	131884.75
2	Expenses					
	a. Cost of materials consumed	3195.09	3457.53	2884.04	10859.81	9336.72
	b. Purchase of traded goods	-	-	-	-	109.36
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	1219.14	(405.97)	(977.49)	831.25	(839.42)
	d. Construction expenses	24594.70	12995.85	29307.04	77419.78	93133.40
	e. Manufacturing and other expenses	387.09	369.94	279.41	1157.96	947.71
	f. Employees benefits expenses	1757.04	1594.46	1637.37	5120.72	4899.95
	g. Excise duty and taxes	146.89	269.68	2767.81	3625.48	7466.79
	h. Finance costs	1173.33	1131.07	1377.04	3384.17	3747.51
	i. Depreciation and amortisation expenses	279.67	261.23	277.43	790.69	770.01
	j. Other expenses (Refer Note 6)	792.04	901.80	729.32	5605.31	2326.12
	Total expenses	33544.99	20575.59	38281.97	108795.17	121898.15
3	Profit from ordinary activities before exceptional items (1-2)	2259.99	1182.20	2730.14	6496.54	9986.60
4	Exceptional Items	-	-	-	-	-
5	Profit from ordinary activities before tax (3+4)	2259.99	1182.20	2730.14	6496.54	9986.60
6	Tax expenses					
	a. Current tax	772.00	448.00	978.00	3074.00	3585.00
	b. Deferred tax	20.39	(97.95)	(27.53)	(863.56)	(110.34)
	Total tax expenses	792.39	350.05	950.47	2210.44	3474.66
7	Net profit from ordinary activities after tax (5-6)	1467.60	832.15	1779.67	4286.10	6511.94
8	Extraordinary items (net of tax expenses)	-	-	-	-	-
9	Net profit for the period (7+8)	1467.60	832.15	1779.67	4286.10	6511.94
10	Other comprehensive income					
	a. Items not to be reclassified subsequently to profit or loss					
	- Actuarial Gain/(Loss) on defined benefit plans	(34.36)	(25.85)	14.19	(100.32)	42.57
	- Tax impact on above adjustment	11.90	8.95	(4.91)	34.73	(14.73)
	- Gain/(Loss) on fair value of equity instruments	33.48	(10.66)	15.30	17.29	64.17
	b. Items to be reclassified subsequently to profit or loss	-	-	-	-	-
	Other comprehensive income for the period (net of tax)	11.02	(27.56)	24.58	(48.30)	92.01
11	Total comprehensive income for the period (9+10)	1478.62	804.59	1804.25	4237.80	6603.95
12	Paid-up equity share capital (Face value of ₹ 2/- each)	968.94	968.94	968.94	968.94	968.94
13	Earnings per share (of ₹ 2/- each) (*not annualised)					
	Basic and Diluted earnings per share (in ₹) (before extraordinary items)	3.03*	1.72*	3.67*	8.85*	13.44*
	Basic and Diluted earnings per share (in ₹) (after extraordinary items)	3.03*	1.72*	3.67*	8.85*	13.44*



Chin

NOTES:

- 1 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company adopted IND AS from April 1, 2017, and accordingly, these financial results (including corresponding quarter and nine months ended December 31, 2016) have been prepared in accordance with the recognition and measurement principles in IND AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 2 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 8, 2018. In compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a limited review of the above results has been carried out by the Statutory Auditors.
- 3 The Company is engaged in the construction activities. The margins in the quarterly results vary based on the nature, type and quantum of project work executed during the quarter. Due to this reason, quarterly results may vary in different quarters and may not be indicative of annual results.
- 4 The Government of India introduced the Goods and Service Tax (GST) with effect from July 1, 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and hence Gross Revenue under GST regime is presented excluding GST as per IND AS 18 – Revenue. However, Gross Revenue under pre-GST regime included Excise Duty which is now subsumed in GST. Consequently, the figures for the quarter and nine months ended December 31, 2017 are not comparable with the previous periods presented in the results.
- 5 Reconciliation of the financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particulars	(₹ in Lakhs)	
	Quarter ended 31-12-2016	Nine months ended 31-12-2016
Net profit for the period reported under previous GAAP	1779.53	6554.90
Re-classification of actuarial (gain)/losses, arising in respect of defined benefit plans, to other comprehensive income (OCI)	(14.19)	(42.57)
Allowance for expected credit loss	14.40	(23.13)
Tax adjustments on above	(0.07)	22.74
Net profit for the period under IND AS	1779.67	6511.94
Other Comprehensive Income (Net of tax)	24.58	92.01
Total Comprehensive Income as reported under IND AS	1804.25	6603.95

- 6 In respect of certain 'Works Contracts' executed in earlier years in the State of Rajasthan, the Company had paid sales tax using Exemption Fee (Composition) Scheme under Rajasthan Sales Tax Law on such 'Works Contracts' based on certain rules notified under the Sales Tax Act then prevailing. The Sales Tax Department had since challenged the Company's position and claimed that such 'Works Contracts' be treated as a divisible contracts and be subjected to tax component-wise and had accordingly raised a demand, which was challenged by the Company. The Company had also filed a Special Leave Petition with the Hon'ble Supreme Court, against the common final judgment Order dated February 13, 2015 passed by the Hon'ble High Court of Rajasthan. Subsequently the Hon'ble Supreme Court rejected the appeal filed by the Company by Order dated August 28, 2017. The Company, based on legal advise, has filed an application seeking recall of the said order. Pending outcome of the 'recall application', on a prudent basis, the Company has made a provision of ₹ 3033 Lakhs against sales tax demand (including interest thereon of ₹ 2132 Lakhs) under the item 2(j) in the results of the nine months ended December 31, 2017. For admission of recall petition, hearing in Hon'ble Supreme Court of India is expected shortly.

For THE INDIAN HUME PIPE CO. LTD.

Rajans R Doshi

RAJANS R DOSHI
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : February 8, 2018

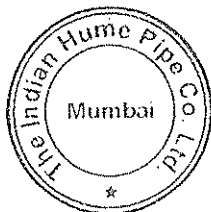


**SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017**

(₹ in Lakhs)

Sr. No.	PARTICULARS	Quarter ended			Nine months ended	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
		31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016
1 Segment Revenue						
a. Construction contracts including Water supply schemes, pipe supply & laying projects	34372.82	21242.81	40797.95	112846.53	131228.58	
b. Others	1383.24	444.02	173.85	2256.09	494.48	
Total	35756.06	21686.83	40971.80	115102.62	131723.06	
Less: Inter-segment revenue	-	-	-	-	-	
Net Income from Operations	35756.06	21686.83	40971.80	115102.62	131723.06	
2 Segment Results						
Profit/(Loss) before tax and finance costs						
a. Construction contracts including Water supply schemes, pipe supply & laying projects	4092.74	2902.56	4827.63	11993.14	16363.21	
b. Others	145.07	62.24	32.37	299.60	27.83	
c. Exceptional items	-	-	-	-	-	
Total	4237.81	2964.80	4860.00	12292.74	16391.04	
Less: Finance costs	1173.33	1131.07	1377.04	3384.17	3747.51	
Less/Add: Excess of Unallocable Expenditure over Unallocable (Income)	804.49	651.53	752.82	2412.03	2656.93	
Total Profit before Tax	2259.99	1182.20	2730.14	6496.54	9986.60	
3 Segment Assets						
a. Construction contracts including Water supply schemes, pipe supply & laying projects	142841.36	142909.76	136701.84	142841.36	136701.84	
b. Others	1931.24	2681.65	2149.04	1931.24	2149.04	
Unallocable Corporate Assets	6505.91	2902.90	2470.58	6505.91	2470.58	
Total Assets	151278.51	148494.31	141321.46	151278.51	141321.46	
4 Segment Liabilities						
a. Construction contracts including Water supply schemes, pipe supply & laying projects	65783.10	60379.58	61045.25	65783.10	61045.25	
b. Others	1972.44	2580.69	2235.87	1972.44	2235.87	
Unallocable Corporate Liabilities	40617.26	44106.95	40765.45	40617.26	40765.45	
Total Liabilities	108372.80	107067.22	104046.57	108372.80	104046.57	
5 Capital Employed						
a. Construction contracts including Water supply schemes, pipe supply & laying projects	77058.26	82530.18	75656.59	77058.26	75656.59	
b. Others	(41.20)	100.96	(86.83)	(41.20)	(86.83)	
Unallocable Capital Employed	(34111.35)	(41204.05)	(38294.87)	(34111.35)	(38294.87)	
Total Capital Employed	42905.71	41427.09	37274.89	42905.71	37274.89	

"Others" segment include Railway Sleepers, Air Rifles, Development of Land and other Miscellaneous items.



Chh



The Indian Hume Pipe Co. Ltd.

Registered Office : Construction House, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001. INDIA
Tel. : +91-22-22618091, +91-22-40748181 • Fax : +91-22-22656863 • E-mail : info@indianhumpipe.com • Visit us at : www.indianhumpipe.com
CIN : L51500MH1926PLC001255

PRESS RELEASE

Third Quarter (FY 2017-18)

The Indian Hume Pipe Company Ltd (IHP) reported a total income of **₹35,804.98 Lakhs** excluding GST for the 3rd quarter of the current year as against ₹ 41,012.11 Lakhs (including taxes) in the corresponding quarter of the previous year. The Company has reported an **EBIDTA of ₹3,712.99 Lakhs** and a **Net Profit of ₹1,467.60 Lakhs** as against ₹4,384.61 Lakhs and ₹1,779.67 Lakhs reported respectively in the corresponding quarter of the previous year. The company has posted an **EPS of ₹3.03** for 3rd quarter as against ₹ 3.67 in the corresponding quarter of the previous year.

Nine Months Period (FY 2017-18)

The company has reported a total income of **₹115,291.71 Lakhs** excluding GST for the nine months period of the current year as against ₹131,884.75 Lakhs (including taxes) in the corresponding nine months period of the previous year. The company has reported on **EBIDTA of ₹10,671.40 Lakhs** and **Net Profit of ₹4,286.10 Lakhs** for the nine months period ended 31st December, 2017 as against ₹14504.12 Lakhs and ₹6,511.94 Lakhs reported respectively in the corresponding period of the previous year. The company has posted an **EPS of ₹8.85** for the nine months period as against ₹ 13.44 in the corresponding nine months of the previous year.

The major stream of revenue for the Company comes from execution of Drinking Water Projects. Pre-GST such contracts executed for Government were exempt from Service Tax, Excise Duty was exempt on Pipes and other material used in execution of these contracts and Works Contract Tax/VAT of approximately 5% was applicable in most of the cases. On rollout of GST, these contracts were placed initially in 18% slab and w.e.f. 22nd August, 2017 in 12% slab. Customer base of the Company is various State Governments and contracts were entered Pre-GST. The Company has represented to all its clients for carrying out necessary amendments to the contract and compensate the additional tax liability.

Delay on part of clients, to decide, on the Company's request for amendment to contracts for compensating additional tax liability, continued to impact execution of contracts.

As such, inspite of having sufficient orders on hand in first nine months period there is a decline in revenue by 12.5% compared to the corresponding nine months period of the previous year.

The Company feels that there will be more clarity in this matter in the next few months.

In respect of certain works contract executed in earlier years in the state of Rajasthan, Hon'ble Supreme Court vide its order dated August 28, 2017 rejected the appeal filed by the Company. The Company based on legal advice has filed an application seeking recall of the said order, pending outcome of the recall application, on a prudent basis the Company has made a provision of ₹3,033/- Lakhs against Sales Tax demand (including interest thereof ₹2,132/- Lakhs) in the results of the nine months ended December 31, 2017.



Order Book

The estimated balance value of the work as at January 31, 2018 is ₹3,36,705/-Lakhs as against ₹3,03,829/- Lakhs as at January 31, 2017.

For THE INDIAN HUME PIPE CO. LTD.

Place: Mumbai
Date : February 08, 2018



RAJAS R DOSHI

CHAIRMAN & MANAGING DIRECTOR

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF
INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
THE INDIAN HUME PIPE COMPANY LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **THE INDIAN HUME PIPE COMPANY LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Deloitte
Haskins & Sells LLP**

4. The previously issued financial information of the Company for the quarter and nine months ended December 31, 2016 was prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and was reviewed by the predecessor auditor whose report dated February 8, 2017 expressed an unmodified conclusion. This previously issued financial information has been restated to comply with Ind AS and included in this Statement as comparative financial information. The adjustments made to the previously issued financial information to comply with Ind AS have been reviewed by us.

Our report is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kedar Raje
Partner
(Membership No. 102637)

MUMBAI, February 8, 2018

