



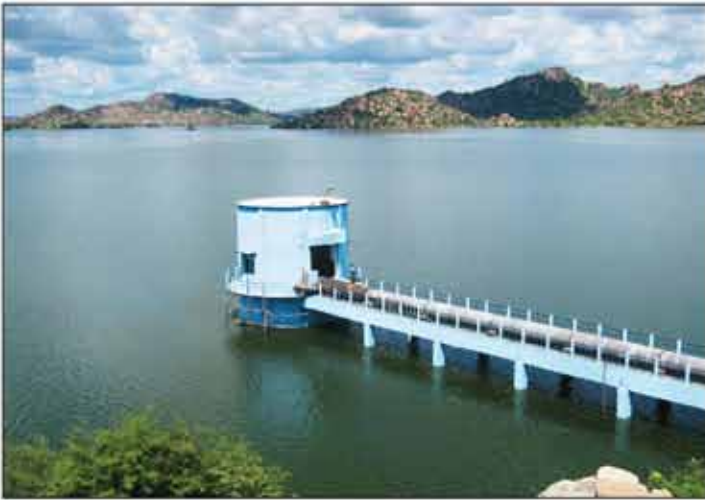
Annual Report 2010-11

The Indian Hume Pipe Co. Ltd.



Large Pipe. Superior Strength

MAHABUBNAGAR WATER SUPPLY IMPROVEMENT SCHEME UNDER UIDSSMT KOILSAGAR RESERVOIR



Intake well at Koilsagar



Pumps and Motor



33 KV Sub Station



900 mm Dia BWSC & M S Pipe Line (30 KM)



Aerator



Clariflocculator

Board of Directors Mr. Rajas R. Doshi : Chairman & Managing Director
Mr. Ajit Gulabchand
Ms. Jyoti R. Doshi
Mr. Rajendra M. Gandhi
Mr. Rameshwar D. Sarda
Mr. N. Balakrishnan
Ms. Anima B. Kapadia
Mr. Vijay Kumar Jatia
Mr. P. D. Kelkar (From 24-05-2011)

Company Secretary Mr. S. M. Mandke

Executives Mr. P. D. Kelkar : Sr. General Manager (Up to 20-05-2011)
Mr. P. R. Bhat : Sr. General Manager
Mr. Ajay Asthana : General Manager
Mr. Mayur R. Doshi : General Manager
Mr. G. Pundareekam : General Manager
Mr. Shashank J. Shah : General Manager
Mr. M. S. Rajadhyaksha : Controller of Accounts & Finance
Mr. S. G. Khaladkar : Sr. General Manager - Corporate Affairs
Mr. B. S. Narkhade : Chief Internal Auditor
Mr. A. B. Joshi : Chief Personnel Manager

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

Solicitors M/s. Daphtary Ferreira & Divan, Mumbai
M/s. Kanga & Co., Mumbai

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

Registrar & Transfer Agent M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai – 400 078
Tel No.022-25946970-78 Fax No.022-25946969

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

Annual General Meeting Wednesday, 27th July, 2011, at 4.00 P.M.
Walchand Hirachand Hall,
Indian Merchants' Chamber Building,
4th Floor, Indian Merchants' Chamber Marg,
Churchgate, Mumbai – 400 020

NOTICE

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

DAY	:	Wednesday
DATE	:	27th July, 2011
TIME	:	4.00 P. M.
PLACE	:	Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai - 400 020

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Rameshwar D. Sarda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Anima B. Kapdia, who retires by rotation and being eligible, offers herself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/s. K. S. Aiyar & Co., Chartered Accountants, bearing ICAI Registration No.100186W, the retiring Auditors of the Company, be and they are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to do Statutory Audit of the Company's accounts including its branches for the Financial Year 2011-12 on a remuneration as may be fixed by the Board of Directors of the Company and that they be paid, in addition, out of pocket and/or travelling expenses they may incur in carrying out their duties as such Auditors."

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution :
"RESOLVED THAT Mr. P. D. Kelkar who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed a Director of the Company."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution :

a) RESOLVED THAT subject to Section 314(1B) and other applicable provisions of the Companies Act, 1956 and the prior approval of the Central Govt. the monthly remuneration (salary & perquisites) excluding incentives amount payable to Mr. Mayur R. Doshi, General Manager for holding and continuing to hold an office or place of profit in the Company be revised w.e.f.1st November, 2010.

(i) Remuneration

Salary : ₹ 54,000/- per month w.e.f. 1st November 2010.

(in the scale of ₹ 54,000/- per month to ₹ 1,00,000/- per month)

Perquisites : In addition to the salary he will be entitled for the perquisites, benefits and allowances of ₹ 49,719/- per month.

(in the scale of ₹ 54,000/- per month to ₹ 1,00,000/- per month)

(ii) RESOLVED FURTHER THAT annual Efficiency Incentive and Special Efficiency Incentive aggregating to ₹ 5,15,200/- for the financial year 2009-10 be paid to Mr. Mayur R. Doshi, General Manager subject to the prior approval of the Central Govt.

(iii) RESOLVED FURTHER THAT annual Efficiency Incentive and Special Efficiency Incentive as may be approved by the Remuneration Committee and the Board of Directors but not exceeding an amount of ₹ 8,00,000/- in aggregate for the financial year 2010-11 be paid to Mr. Mayur R. Doshi, General Manager of the Company subject to the prior approval of the Central Govt.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to delegate such authority to any Officer of the Company to take all steps, acts, deeds, things and matters for and on behalf of the Board of Directors.

- b) "RESOLVED FURTHER THAT in furtherance of the special resolution passed at the Extra Ordinary General Meeting of the Company held on 30th November, 2007 and pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals, consents, permissions including that of the Central Government, if applicable, the consent of the Company be and is hereby accorded for revising pay scales (on time scale basis) of salary and perquisites payable to Mr. Mayur R. Doshi, General Manager and son of Mr. Rajas R. Doshi, Chairman & Managing Director of the Company and Ms. Jyoti R. Doshi, Director of the Company for holding and continuing to hold an office or place of profit in the Company as General Manager w.e.f.1st May, 2011 on the following terms :

Remuneration

Salary : ₹ 58,400/- per month w.e.f. 1st May 2011.

(in the scale of ₹ 58,000/- per month to ₹ 1,10,000/- per month)

Perquisites : In addition to the salary he will be entitled for the perquisites, benefits and allowances as given to other Executives of the Company in the similar grade(s) as per the rules of the Company w.e.f.1st May, 2011 amounting to ₹ 53,536/- per month.

(in the scale of ₹ 58,000/- per month to ₹ 1,10,000/- per month)

In addition to the above remuneration, Mr. Mayur R. Doshi will be entitled to the annual increments and compensatory allowance based on cost of living index of preceding year which will be effective 1st August each year or such other date as may be fixed. He will also be entitled to the Efficiency Incentives, for the relevant financial year of the Company which will be merit based and will take into account the individual and Company's performance for the year.

Provided that the total monthly remuneration (salary and perquisites together with annual increments, compensatory allowance, other allowances, benefits and efficiency incentives) payable to Mr. Mayur R. Doshi, General Manager shall not exceed the limit prescribed by the



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Central Govt. without requiring their prior approval for holding an office or place of profit in the Company from time to time under the applicable rules of Director's Relatives (Office or Place of Profit) Rules, 2003 read with Section 314 of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised and empowered as and when they may determine and deem fit and proper, to revise the above terms of remuneration and to promote / re-designate him to the higher grade(s) / scale(s) with all perquisites, usual allowances, incentives, facilities and benefits as applicable to such grade(s) / scale(s) within the limit of remuneration (salary & perquisites) prescribed by the Central Govt. without requiring their prior approval for holding an office or place of profit in the Company from time to time under the applicable rules of Director's Relatives (Office or Place of Profit) Rules, 2003 read with Section 314 (1B) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised and empowered to accept modification(s) to the above terms & conditions in the remuneration of Mr. Mayur R. Doshi.

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

"RESOLVED THAT subject to the provisions of Section 228 of the Companies Act, 1956 and other provisions if any, consent of the Company be and is hereby accorded to the re-appointment of M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, retiring Branch Auditors of the Company to carry out Branch Audit, Limited Review and Tax Audit of the Company's Factories, Projects and Project Offices

in the State of Andhra Pradesh, as Branch Auditors for the financial year 2011-12 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on a remuneration to be decided by the Board of Directors in consultation with the Branch Auditors plus reimbursement of out of pocket expenses as may be incurred by them.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board of Directors to appoint Branch Auditors of the Company under Section 228 of the Companies Act, 1956 for auditing accounts of such other locations of the Company in other State(s), if required to be audited under Section 228 of the Companies Act, 1956 for the financial year 2011-12, on such terms and conditions, as they may deem fit.

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

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

Registered Office:

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

Date : 24th May, 2011

NOTES:-

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.**
- (b) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special business under item Nos.6 to 8 above, to be transacted at the meeting is annexed hereto.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 15th July, 2011 to Wednesday, 27th July, 2011 (both days inclusive).
- (d) The Dividend for the year ended 31st March, 2011, as recommended by the Board, if sanctioned at the meeting, will be payable to those Members whose names appear in the Register of Members as on 15th July, 2011. In respect of shares held in Electronic (Demat) form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- (e) Shareholders who hold Shares in dematerialised form may please note that as advised by the Securities and Exchange Board of India, the Company will be mandatorily printing on the dividend warrants, the Shareholder(s) Bank Account details as furnished by the respective Depositories to the Company.
- In order to avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, the shareholders are advised to avail of ECS facility, whereby the dividend amount will be directly credited to their respective Bank Accounts electronically. This will also ensure speedier credit of dividend. You may write to the Company's Registrar & Share Transfer Agent or your Depository Participants directly to avail benefit of this service / facility.
- (f) As required under the Listing Agreement, a brief write up is given below in respect of the three Directors whose re-appointment / appointment is placed before this AGM.
- i) Mr. Rameshwar D. Sarda (58) a Bachelor of Arts is associated with the Company as Director since 1996. He has wide and rich experience in Real Estate, Hospitality, Travel & Publication of News Papers business etc. He is Director on the Boards of (1) M/s. Shrirang Prakashan Pvt. Ltd., (2) M/s.Nandkishore Fine Arts Pvt. Ltd., (3) M/s. Sarda Constructions Pvt. Ltd., (4) M/s. Purti Constructions Pvt. Ltd., (5) M/s. Bastiram Narayandas Sarda Pvt. Ltd and (6) M/s. IHP Finvest Ltd. He is a Member of the Audit Committee of the Company.
- Mr. Rameshwar D. Sarda holds 500 Shares of the Company.
- ii) Ms. Anima B. Kapadia (60) is associated with the Company as Director since 2001. She is an eminent and learned Solicitor & Advocate and sole proprietor of Solicitor Firm, M/s. Daphtary Ferreira & Divan, Mumbai, one of the Solicitors of the Company. She is also a Director on the Boards of M/s. Lucid Colloids Limited, Mumbai and B. A. & Bros. (ESTN) Limited, Kolkata. She is a Member of the Remuneration Committee & Chairperson of the Shareholders / Investors Grievance Committee of the Company. She is also Member of the Audit Committee of M/s Lucid Colloids Limited.
- Ms. Anima Kapadia holds 830 Shares of the Company.
- iii) Mr. P. D. Kelkar (78) a Civil Engineer is associated with the Company since 1958. He is the first employee of the Company to complete 52 years of service and was felicitated by the Company on 22nd October, 2008 on completion of 50 years of service with the Company. During his long and distinguished service with the Company Mr. Kelkar has worked at various places in India and abroad and had successfully handled many big projects of water supply notably among them are Manjira, Visakhapatnam, Krishna

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Pkg. I & II (Andhra Pradesh), Delhi, Indore & Bhopal (Madhya Pradesh), Bissalpur (Rajasthan), Thuraiyur, Andimadam, Tuticorin, Manur & Nagapattinam (Tamilnadu). Apart from developing the business of PSC pipes and PSC Sleepers, he had taken keen initiative in setting up R & D Division for giving a technical edge to the Company in developing new products, improving quality of existing products, innovating new manufacturing techniques, designing and installation of new machines. He has gained wide and rich experience in the pipe industry. He retired from the Company on 20th May, 2011.

He is Director on the Board of M/s. Hincon Technoconsult Ltd.

Mr. P. D. Kelkar holds 2,500 Shares of the Company.

- (g) Transfer to Investor Education & Protection Fund:
- In terms of the provisions of Section 205A read together with Section 205C of the Companies Act, 1956, unpaid and unclaimed dividend for the financial year ended 31st March, 2003 and interim dividend for the financial year ended 31st March, 2004 had been transferred by the Company to the Investor Education & Protection Fund (IEPF) established by the Central Government under Section 205C of the Act.
 - It may be noted that pursuant to the provisions of above mentioned section, the amount of dividend which has remained unclaimed and unpaid for a period of 7 years from the date when it became due for payment is required to be transferred to the IEPF constituted by the Central Govt.
Accordingly, the amount of dividend for the financial year 2003-2004 which remain unclaimed and unpaid as aforesaid shall be due for transfer to the IEPF on 04-09-2011 and no claim shall lie against the IEPF or the Company in respect of such amounts. We therefore request the members who have not yet encashed their dividend warrants for the financial year 2003-04 and onwards to write to the Company 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
2003-04	30-07-2004	03-08-2004	04-09-2011
2004-05	31-01-2005 *	08-02-2005	08-03-2012
2004-05	29-07-2005	04-08-2005	03-09-2012
2005-06	31-07-2006	07-08-2006	05-09-2013
2006-07	30-07-2007	07-08-2007	04-09-2014
2007-08	30-07-2008	06-08-2008	04-09-2015
2008-09	27-07-2009	01-08-2009	01-09-2016
2009-10	29-07-2010	01-08-2010	01-09-2017

* Interim Dividend

- As per the provisions of the Companies Act, 1956, facility for making nomination is now available. Nomination forms in this respect can be obtained from the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd.
- Members are requested to immediately notify change in their registered address, if any, to the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., for shares held in physical mode. For shares held by the Members in demat mode they are requested to immediately notify change in their registered address, if any, to their respective Depository Participant.
- Members are requested to bring copy of the Annual Report at the time of attending the Annual General Meeting.

- Members / Proxy-holders are requested to produce Admission Slip forwarded to them, duly completed and signed, at the entrance of the Hall for admission to the Meeting Hall.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956

Item No.6 :

Mr. P. D. Kelkar, B.E.(Civil) retired as the Senior General Manager of the Company w.e.f.20th May, 2011 after a very long and distinguished service of 52 years. The Board of Directors at its meeting held on 24th May, 2011 appointed Mr. Kelkar as an Additional Director of the Company. As per the provisions of Section 260 of the Companies Act, 1956 and Articles No. 135 of the Articles of Association of the Company, Mr. Kelkar holds office up to the date of the forthcoming Annual General Meeting of the Company and is eligible for appointment as Director of the Company. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 proposing the appointment of Mr. P. D. Kelkar as Director of the Company. The resume of Mr. P. D. Kelkar has been given in the Notes to the Notice of the Annual General Meeting.

Mr. P. D. Kelkar is concerned or interested in this Resolution.

Your Directors recommend the above resolution for your approval.

Item No.7 :

- (i) Mr. Mayur R. Doshi, 32, General Manger of the Company is son (relative) of Mr. Rajas R. Doshi, Chairman & Managing Director of the Company and Ms. Jyoti R. Doshi, Director of the Company. Mr. Mayur R. Doshi is a B. E. (Electronics) from Mumbai University and has a Masters Degree in Computer Science from the University of Southern California, Los Angeles, USA.

Mr. Mayur R. Doshi has gained rich experience in the area of various Software projects as well as in the latest management practices followed abroad while working with Companies like M/s. Siebel Systems in USA as Associate Software Engineer for the period from February, 2005 to March, 2006 and with M/s Oracle Corporation in USA as Software Engineer for the period March, 2006 to October, 2007.

At the Extra Ordinary General Meeting of the Company held on 30th November, 2007, the Members had approved the appointment of Mr. Mayur R. Doshi, son of Mr. Rajas R. Doshi, Chairman & Managing Director of the Company and Ms. Jyoti R. Doshi, Director of the Company as General Manager of the Company. Consequently the Central Government had approved the appointment of Mr. Mayur R. Doshi as General Manager of the Company in terms of the special resolution passed at that meeting and to hold the office or place of profit in the Company w.e.f.3rd December, 2007 on a remuneration comprising of salary in the scale of ₹ 34,000/- per month to ₹ 58,750/- per month and perquisites in the scale of ₹ 34,000/- per month to ₹ 58,750/- per month.

The Company had revised the remuneration (salary and perquisites) of Sr. Executives, Managers and Officers of the Company including that of Mr. Mayur R. Doshi w.e.f.1st August, 2008 and approved by the Central Govt.

Considering the industry trend the Company has revised the salary and perquisites of the employees who are in the grades of Executives, Officers at Head Office and R & D Division and Executives, Officers and Clerical staff working at factories / projects of the Company w.e.f.1st November, 2010. As per the above revision the revised monthly salary and perquisites to be paid to Mr. Mayur R. Doshi, General Manager w.e.f.1st November, 2010 will be ₹ 54,000/- and perquisites of ₹ 49,719/- excluding incentives subject to prior approval of the Central Govt. for continue to hold an office or place of profit in the Company. Presently Mr. Mayur R. Doshi is paid a monthly remuneration of ₹ 85,536/- which is approved by the Central Govt. The proposal of revision in the remuneration and perquisites payable to Mr. Mayur R.



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Doshi, General Manager of the Company w.e.f.1st November, 2010 has been approved by the Remuneration Committee and Board of Directors at its meeting held on 24th May, 2011.

- (ii) The Company had paid annual Efficiency Incentive and Special Efficiency Incentive to the Executives and Officers of the Company for the year 2009-10. Accordingly ₹ 1,15,200/- towards annual Efficiency Incentive and ₹ 4,00,000/- as Special Efficiency Incentive for the financial year 2009-10 is payable to Mr. Mayur R. Doshi, General Manager in recognition of his special contribution made by him in improving the margins and securing orders worth over ₹ 100 crore being in-charge of the regions of his area subject to the prior approval of the Central Govt. The Remuneration Committee and Board of Directors at their meetings held on 24th May, 2011 have approved the payment of annual Efficiency Incentive and Special Efficiency Incentive to Mr. Mayur R. Doshi for the financial year 2009-10, subject to prior approval of the Central Govt.
- (iii) Further the annual Efficiency Incentive and Special Efficiency Incentive for the financial year 2010-11 as may be determined by the Company will be payable to the Executives and Officers of the Company including Mr. Mayur R. Doshi, General Manager of the Company. The Remuneration Committee and the Board of Directors at their meetings held on 24th May, 2011 have fixed an amount not exceeding Rs.8,00,000/- in aggregate as annual Efficiency Incentive and Special Efficiency Incentive payable to Mr. Mayur R. Doshi, General Manager of the Company for the financial year 2010-11 subject to the prior approval of the Central Govt. As and when the Company decides to pay the incentives to the Executives and Officers of the Company for the financial year 2010-11 the Remuneration Committee and the Board of Directors will approve the amount of incentives for that year within the ceiling limit of Rs.8,00,000/- in aggregate payable to Mr. Mayur R. Doshi, General Manager of the Company subject to the prior approval of the Central Govt.
- b) The Central Government vide the Directors' Relatives (Office or Place of Profit) Amendment Rules, 2011 has recently increased the limit of monthly remuneration which can be paid to the relatives of Director's up to ₹ 2,50,000/- without requiring their prior approval for holding an office or place of profit in the Company. Considering the rich experience of Mr. Mayur R. Doshi, General Manager and the enormous initiative and lead taken by him in developing newer projects, expanding the market of the Company, it is in the interest of the Company to fix new pay scale / remuneration as stated in the resolution at item No. 7(b) up to the present ceiling limit of ₹ 2,50,000/- per month or the limit prescribed by the Central Govt. whichever is higher from time to time under the applicable rules of Director's Relatives (Office or Place of Profit) Rules, 2003 read with Section 314 of the Companies Act, 1956 without requiring their prior approval for holding an office or place of profit in the Company for enabling the Company to adequately compensate Mr. Mayur R. Doshi.
- The salary, perquisites, annual increments, allowances, facilities, incentives and benefits including HRA, GMI Premium, PA Premium, Medical Check-up, Floater Medi-claim, LTA and Car use allowance etc. proposed to be given to him will be same as given to other Executives in the similar grade(s) as per the Rules of the Company.

The Remuneration Committee and Board of Directors at their meetings held on 24th May, 2011 have approved the revised pay scales (remuneration) payable to Mr. Mayur R. Doshi, General Manager w.e.f. 1st May, 2011.

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

No other Director is concerned or interested in the said Resolution at item No. 7(a) and 7 (b).

Your Directors recommend the above resolution for your approval.

Item No.8 :

Pursuant to the provision of Section 228 of the Companies Act, 1956, the accounts of the Branches of the Company may be audited otherwise than by Company's Statutory Auditors, provided the Company in General Meeting authorise the Board of Directors to appoint such person or persons who are qualified for appointment as Branch Auditors of the Company under Section 226 and/or 228 of the Companies Act, 1956 for auditing accounts of the Company's Branches.

In the Annual General Meeting held on 29th July, 2010, the Members had appointed M/s. Brahmayya & Co., Chartered Accountants as Branch Auditors for the State of Andhra Pradesh u/s 228 of the Companies Act, 1956 for the financial year 2010-11.

The Board of Directors in their meeting held on 24th May, 2011 has recommended the re-appointment of M/s. Brahmayya & Co., Chartered Accountants, having their office at Flat No.403 & 404, Golden Apartments, Irrum Manzil Colony, Somajiguda, Hyderabad – 500 082 to carry out the Branch Audit in the State of Andhra Pradesh for the financial year 2011-12 commencing from 1st April, 2011 at a remuneration to be decided by the Board of Directors in consultation with Branch Auditors plus out of pocket expenses as may be incurred by them. The Branch Auditors will carry out the Branch Audit, Limited Review, Tax Audit and prepare a report on examination of the accounts of the Company's Factories, Projects and Project Offices in the State of Andhra Pradesh and forward their report to the Company's Statutory Auditor, who shall in preparing the Auditors' Report, deal with the same in such manner as they may consider fit and proper.

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

None of the Directors of the Company is concerned or interested in this Resolution.

Your Directors recommend the above resolution for your approval.

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

Registered Office:

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

Date : 24th May, 2011

IMPORTANT COMMUNICATION TO MEMBERS

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

To support this Green Initiative of the Government in full measure, the members are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

Members who hold shares in physical form are requested to register their e-mail addresses with M/s. Link Intime India Pvt. Ltd., Registrar & Transfer Agent for receiving by email notices / documents including Annual Reports etc. from the Company.

Continuing the Green Initiative this Annual Report is printed on recycle papers except the cover and back page.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE & DEVELOPMENT:

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

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

2. OPPORTUNITIES AND THREAT:

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

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

Increased competition from medium/large scale construction entities and availability of substitutes such as alternative pipe materials like ductile iron pipes, spirally welded steel pipes, G.R.P. and H.D.P.E. pipes are perceived as one of the threat / competition to your

Company. Another cause is prices of key raw materials namely steel, steel wires, HT wires and cement, which has remained volatile and uncertain for last two years.

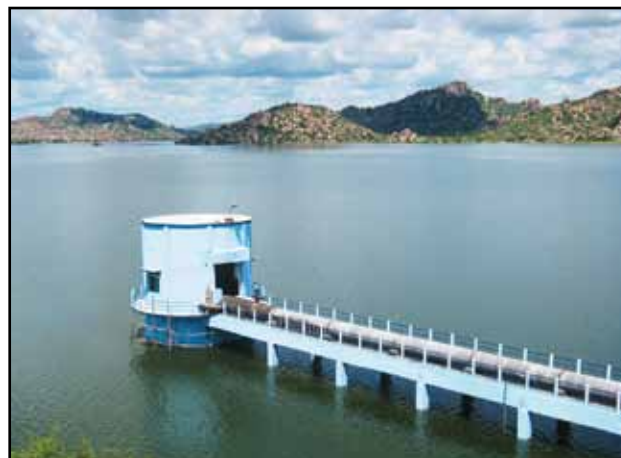
3. SEGMENT-WISE ACTIVITY:

The Company is considered a pioneer in the field of water industry, it is in this line for last more than 84 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 successfully completed by your Company valued more than ₹ 1000 Lacs each during the year are:-

1. From Superintending Engineer, Public Health Circle, Anantpur for Anantpur Water Supply Improvement Scheme with PABR at source under UIDSSMT Scheme for supply of 1000 mm BWSC pipes and 600 / 700 / 800 / 1100 mm PSC pipes of the value of ₹ 6,728.55 Lacs.
2. From Superintending Engineer, Public Health West Circle, AC Guards, Hyderabad for investigation, survey, design and execution for Mahabubnagar Water Supply, under UIDSSMT construction of intake well cum pump house, vertical turbine pumpsets, laying of Pumping mains. GLBR and gravity mains and providing of pump sets with all Electrical and Mechanical equipments of the value of ₹ 4,614.97 Lacs.



Intake well cum pump house for Mahabubnagar Water Supply Project, Hyderabad, A.P.

3. From Chief Engineer, TWAD Board, Southern Region, Madurai for S/L/J/T/ and commissioning BWSC / CI / PVC / HDPE / GI /PSC pipes of various diameters and allied civil works and electro – mechanical items for CWSS to Vasudevanallur of the value of ₹ 3,363.19 Lacs.
4. From The Chief Engineer, Greater Vishakhapatnam Municipal Corporation, Vishakhapatnam for replacement of existing Thatipudi pipeline from i) Thatipudi reservoir to existing water treatment plant at Krishnapuram and from balancing reservoir at Uttarapalli to Vepugunta with 900 mm dia BWSC pipes



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ii) Vepugunta to Baji Junction with 800 mm dia BWSC pipes under Greater Vishakapatnam Water Supply Improvement Scheme (JNNURM) package – I of the value of ₹ 3,053.68 Lacs.

5. From H. M. W. S. & S. Board, S. R. Nagar, Hyderabad for providing water supply to IT & other sectors in and around Gachibowli and Manikonda areas by laying 900 / 800 / 600 mm dia MS & 600 / 500 / 300 mm dia DI K7 water supply pipeline from Prashasan Nagar GLSR to Financial District, Manikonda including various civil works of the value of ₹ 2,969.33 Lacs.
6. From Superintending Engineer, Rural Water Supply & Sanitation, Nalgonda, Panchayat Raj Engineering Department - Rural Water Supply for CPWSS to fluoride affected areas in Alair and Mothkur areas in Nalgonda District of the value of ₹ 2,246.00 Lacs.
7. From Superintending Engineer, Public Health West Circle, AC Guards, Hyderabad, Andhra Pradesh for investigation, survey, design and execution of Bodhan Water Supply and Improvement Scheme for supplying of 400 / 500 / 600 / 700 mm BWSC pipes of the value of ₹ 1,936.05 Lacs.
8. From M/s P. C. Snehal Construction Co., Ahmedabad for Jetpur Navagadh Nagarpalika, consisting of 700 & 600mm dia 23.95 Kms BWSC pipes supply of the value of ₹ 1,239 Lacs.
9. From Chief Engineer, TWAD Board, Southern Region, Madurai for CWSS to Thirupparankundram Municipality. S/L/J/T/ and commissioning PSC / MS pipes of various diameters and allied civil works / electrical components of the value of ₹ 1,227.56 Lacs.
10. From Executive Engineer, Andhra Pradesh State Irrigation Development Corporation Ltd., Nirmal for construction and commissioning on turnkey basis of Sandegaon Lift Irrigation Scheme on Wardha River in Kowthala Mandal of Adilabad District 1400 / 900 PSC pipes of the value of ₹ 1,018.17 Lacs.
11. In addition to the above we have successfully completed 9 projects amounting to ₹ 4694.36 Lacs of the value less than ₹ 1000 Lacs each at various locations in India.

(ii) Company's works on many water supply projects valued more than ₹ 2500 Lacs each are progressing well and/or nearing completion and the noteworthy amongst them are :-

1. From The Superintending Engineer, AVR, HNSS Circle No.3, Madanapalli, Andhra Pradesh for survey, investigation, design, drawings, estimation, construction and commissioning on Turn Key basis including maintenance for 15 years (including 2 years liability period) of Pulikanuma L.I.Scheme on Tungabhadra river near Satanur (V), Kosigi (M) in Kurnool District with two stage pumping consisting of (a) construction of approach channel, (b) Jack-well cum pump house including manufacture, supply, erection of pumps, motors, panels, soft starters, capacitors, E.O.T. & H.O.T. cranes and all other electrical equipment, (c) 33 KVA sub-station, (d) H. T. Power lines, (e) Pressure mains, (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 @ km270.00 etc. complete in Joint Venture with M/s. Flowmore Pvt. Ltd. of the value of ₹ 26,309.92 Lacs. Our Share is 86% i.e. ₹ 22,626.53 Lacs.



2000 mm dia PSC pipe for Pulikanuma Lift Irrigation Scheme (A.P)

2. From The Superintending Engineer, Rural Water Supply & Sanitation Ananthapur, for J.C. Nagi Reddy Drinking Water Supply Scheme in Ananthapur District (Phase-IV) of the value of ₹ 15,384.57 Lacs.
3. From The Superintending Engineer, RWS&S, Anantapur for J.C.Nagi Reddy Drinking Water Supply Scheme Phase II & III in Ananthapur District. Consisting of 500mm dia 114 KM. BWSC pipes and 32 KM MS pipes 600mm dia to 1000mm dia of the value of ₹ 13,592.90 Lacs.
4. From Panchayat Raj Engineering Department, Anantpur for supply, laying, jointing, testing and commissioning of BWSC, DI, GRP and MS Pipes with allied civil works including construction of sumps, intake well cum pump house with Foot Bridge and ground level balancing reservoir etc. for J. C. Nagi Reddy Phase I Drinking Water Supply Project in Anantpur District of the value of ₹ 11,589.71 Lacs.
5. From Bangalore Water Supply & Sewerage Board, Bangalore for Replacement / Rehabilitation of existing Sewerage System in Hebbal Valley (S2A) and in Challagatta Valley (S2B) in Bangalore consisting of RCC Pipes. The Drainage Pipelines are to be lined using polyurea for the first time in India in a large project. Pipeline is lined with polyurea for corrosion protection & chemicals resistance. Project consists of 400mm dia to 2400mm dia NP3 class RCC pipes of the total 17.34 Kms of the combined value of ₹ 10,021 Lacs



2400 mm dia R.C.C. NP-3 class pipe with polyurea lining for the sewerage work contract S2B for BWSSB, Bangalore

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6. From Superintending Engineer, Public Health Circle, Nellore for Tirupati Municipal Corporation UIDSSMT Scheme: Part I: investigation, survey, design and execution of Under Ground Drainage Scheme on eastern side of Tirumala Bye Pass Road. Part II: investigation, survey, design and execution of storm water drainage scheme for Tirupati Municipal Corporation of the value of ₹ 6,798.95 Lacs.
7. From Public Health Engineering, Project Division, Raipur, Chhattisgarh for design, manufacturing, providing, laying, jointing, testing, commissioning and one year operation & maintenance of Steel Cylinder pipeline with concrete lining and coating under Raipur Augmentation Water Supply Scheme consisting 1700 mm dia and 1400 mm dia M. S. Pipeline 15.20 kms and 3.60 kms, respectively of the value of ₹ 6,147 Lacs.



1700 mm dia x 10 mm thick M.S. Pipe Line with shrink wrap for curing for Raipur Augmentation WSS in Chattisgarh State

8. From The Chief General Manager (Engg), H. M. W. S. & S. B., S. R. Nagar, Hyderabad for rehabilitation, strengthening and improvement of sewerage system in old city area by laying mains, sub-mains, laterals and transfer of house service connections including manufacturing, supply of 150mm / 200mm / 300mm dia SWG pipes and 350mm / 400mm / 450mm / 500mm / 600mm / 700mm/ 800mm / 900mm / 1100mm / 1200mm / 1400mm dia RCC NP3 class pipes with SR cement including lowering, laying, jointing, testing and commissioning of sewers on turnkey basis under JNNURM - Package-II in Joint Venture with M/s. Vishwa Infrastructure & Services Pvt. Ltd. of the value of ₹ 12,006.76 Lacs. Our share is 50% i.e. ₹ 6,003.38 Lacs.
9. From The Superintending Engineer, I & CAD Dept., GRP Circle, Yemmiganoor, for investigation, Design, Estimation and execution of 3 Nos of Lift Irrigation Schemes, supply water to 13,700 acres by lifting water all along Tunghabhadra River under Guru Raghavendra Project namely Duddi, Madhavaram and Basala Doddi (Two Stage) near Mantralayam, Kurnool District of the value of ₹ 5,999.23 Lacs.
10. From The Superintending Engineer (XVIII) Circle, U.P. Jal Nigam, Ghaziabad for supply, laying, jointing, testing & commissioning 2000 mm dia PSC pipes 18 KM from Upper Ganga Canal for Noida to THA Ghaziabad of the value of ₹ 5,443.28 Lacs.
11. From Nagarjuna Construction Company Limited, Bangalore for Cauvery WSS stage IV Phase-II BWSSB W5d Project for drinking water supply to Bangalore. This involves supply & laying of 2125mm, 1825mm & 1025mm dia M.S. Pipes of the value of ₹ 5,400 Lacs.



1825 mm dia duly lined & outcoated M. S. Pipe for W.S. Project Phase-II BWSSB-W5d Project Bangalore

12. From The Superintending Engineer, Public Health Division, Ananthapur for investigation, survey, design and execution of Dhone Water Supply Scheme with Sanjeevaiah Sagar (Gajuladinne Reservoir) as source under UIDSSMT Scheme of the value of ₹ 5,303.65 Lacs.
13. From Superintending Engineer, Public Health West Circle, AC Guards, Hyderabad for Siddipet Water Supply Improvement Scheme with Manuru river at Yashwada as source including intake structure, transmission mains, filtration plant, sumps, pump house, pumping machinery including generators, feeder mains, ELSR and GLSR and all other appurtenant works of the value of ₹ 4,554.39 Lacs.
14. From The Superintending Engineer, Public Health Circle, Ananthapur for investigation, survey, design and execution of Rajampeta Water Supply Scheme with Annamayya Project as Source under UIDSSMT Scheme of the value of ₹ 3,885.87 Lacs.
15. From Maharashtra Jeevan Pradhikaran, Sangamner for Sangamner Water Supply Scheme for providing, laying, jointing & commissioning of 711 mm dia MS and 600 & 700 mm dia BWSC pipes of the value of ₹ 3,773 Lacs.
16. From Chief Engineer, Greater Vishakhapatnam Municipal Corporation, Vishakhapatnam for augmentation of drinking water supply to Gajuwaka Area in Vishakhapatnam under Sub-Mission on Urban Infrastructure and Governance under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) Package-1 of the value of ₹ 3,356.62 Lacs.
17. From Shegaon Municipal Council, Shegaon for Shegaon Water Supply Scheme, consisting of 600mm & 500mm dia 49.055 Kms PCC Pipeline. This project is the longest PCC Pipeline project in India of the value of ₹ 3,327 Lacs.
18. From The Superintending Engineer, Public Health West Circle, Hyderabad for Sadasivapet WSIS - with Manjira river at Etigadda Sangam as source under UIDSSMT - providing intake well cum pump house of RCC including providing BWSC raw water and clear water pumping mains to different ELSRs and HDPE distribution lines, providing filtration plant (10.20 MLD), 500 KL clear water sump and pump room,



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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.

19. From The Vice-Chairman and Managing Director, Andhra Pradesh State Irrigation Development Corporation Limited, Banjara Hills, Hyderabad, for Construction and Commissioning on turnkey basis of Morjampadu Lift Irrigation scheme on right bank of Krishna River near Govindapuram Village in Machavaram Mandal of Guntur District including operation of the scheme for one year of the value of ₹ 3,059.30 Lacs.
20. From Superintending Engineer, Public Health Circle, Nellore for investigation, design, execution of Nagari Water Supply Scheme by construction of storage tank, treatment plant, erection of pumping machinery, construction of pump houses, laying of raw water / clear water pumping mains / gravity mains, construction of clear water sump at treatment plant, construction of ELSRs, including trial run and commissioning of the scheme with GNSS as source of the value of ₹ 2,917.33 Lacs.
21. From Superintending Engineer, Public Health Circle, Warangal for Warangal Water Supply Improvement Scheme under UIDSSMT - Construction of Jack well, providing MS raw water conduit to the earthen bund of Dharmasagar Reservoir by tunneling and jacking, MS/BWSC raw water gravity mains, DI/ BWSC pumping mains and Railway crossing arrangements, Additional off-take arrangements on Kakatiya Canal, Raw water Pump Houses Souse in Warangal Municipal Corporation in Joint Venture with M/s. Nagarjuna Construction Co. Ltd. and M/s. Megha Infrastructure Ltd of the value of ₹ 18,540.12 Lacs. Our share is 15% i.e. ₹ 2,781 Lacs.
22. From The Superintending Engineer, Public Health Circle Nellore, Andhra Pradesh for Kandukur Water Supply Improvement Scheme with Ramathertham Balancing Reservoir as source under UIDSSMT for manufacture, supply, delivery, laying, jointing and testing of 800 mm dia PSC 10 KSC Gravity Main from Ramathertham Balance Reservoir to proposed SS Tank at Kandukur of the value of ₹ 2,636.57 Lacs.
23. From TWAD Board, Coimbatore for implementation of Combined Water Supply Scheme to Madathukulam of the Value of ₹ 2590.95 Lacs.



Construction of Aerator & Clariflocalator for 11.75 MLD water treatment plant under the work of CWSS to Madathukulam & other 112 Rural Habitation of TWAD Board, Coimbatore

24. In addition to the above, 43 projects are progressing well amounting to ₹ 38,107.68 Lacs of the value less than ₹ 2500 Lacs each at various locations in India



1100 mm dia PSC Pipe line for Vadiwale Left Bank Canal pipe line project Near Pune, Maharashtra

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

1. From The Superintending Engineer, Rural Water Supply & Sanitation, Sangareddy for CPWS schemes in Medak District for CPWS scheme to Narsapur, Kondapur, Gajwel, Chegunta, Khadirabad, Zahirabad and other Habitations with Special Repairs to Satyasai Project consists of DI/MS/ BWSC/HDPE/PVC pipes of the total 1098.2 KM of the value of ₹ 6122.81 Lacs.
2. From The Superintending Engineer, Rural Water Supply & Sanitation, Project Circle, Kakinada for providing CPWS scheme to Allavaram Amalapuram and Uppalaguptam Mandals in east Godavari District for Consisting of 250, 300, 350 mm dia DI and 75 to 315 mm dia PVC and 400 mm dia BWSC Pipes for 105 KM of the value of ₹ 3118.71 Lacs.
3. From M/s Lanco Kondapalli Power Private Ltd for laying of New water pipeline at Kondapalli for Kondapalli Power project (LKPL) of 900 mm dia BWSC pipes for 11.8 KM of the value of ₹ 1334.23 Lacs.
4. From M/s Pratibha Industries Ltd for Meerut Water Supply Project supply of 1500 mm dia PSC pipes of the value of ₹ 1204.62 Lacs
5. From The Superintending Engineer, Rural Water Supply & Sanitation Circle, Guntur for integrated drinking water project in Over exploited mandals in Tenali Constituency in Guntur District for 36.63 KM of the value of ₹ 1046.89 Lacs.
6. In addition to the above we have secured 17 orders amounting to ₹ 6471.17 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 1,48,432 sleepers amounting to ₹ 1886.12 Lacs against the order received from Ministry of Railway Board, New Delhi.

(C) Bar Wrapped Steel Cylinder (BWSC) Pipes/ Pre stressed Concrete Cylinder Pipes (PCCP)

The BWSC pipes/PCCP pipes introduced by the Company as an alternative pipe materials to M. S. and D.I. pipes has become

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

popular amongst various Government authorities. The Company has undertaken / undertaking several projects involving BWSC pipes and PCCP pipes. To meet the demand of BWSC pipes and PCCP Pipes, Company had specially set up new manufacturing plants at Choutuppal and Chilamathur in Andhra Pradesh and these plants are running continuously with better productivity yields. In addition to the above we have also created facilities to manufacture above types of pipes in our existing factories like Vadagaon, Rajkot, Kanhan, Yelhanka and Thanjavour to cater the local demands. During the year under review, these plants were produced 178.70 Kms of BWSC pipes /PCCP pipes valued at ₹ 12,620 Lacs as against ₹ 12,560 Lacs during the last year

During the year the Company has received orders worth ₹ 2440 Lacs for BWSC pipes/PCCP pipes along with other civil works.

(D) National Rifle Division:

The National Rifle Division, at Ahmedabad had introduced two models namely 0.177 "Compressed Air Rifle" and 0.177 "Compressed Air Pistol" to enable shooters to acquire efficiency in target shooting and gain recognition in the State, National and International shooting competitions. Presently the Company is manufacturing 10 types of air rifles and air pistols which are marketed by our reputed Distributors all over India. The demand for Air compressed Rifles and Compressed Air Pistols has increased as Olympic and National Gold Winners like Shri Gagan Narang are opening their training clubs and have placed orders with the Company. Even Govt. of India, Ministry of Defence, Ishapore Rifle Club is purchasing Compressed Air Rifles and Compressed Air Pistols from the Company.

4. Outlook:

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

Government of India, State Governments and local bodies are making best efforts to supply safe drinking water, hence, number of water supply schemes are under anvil. Further to make cities and rural areas 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 the business with various State Governments and it depends upon their policy on approval of finance and allocation of funds as well as their ability to raise funds to undertake such water supply projects amongst various infrastructure related projects being implemented by them. Adverse changes and lack of funds delays the works resulting in higher cost and can also affect the business prospects of the Industry and the Company. Severe competition from the manufacturers of alternative pipes like Ductile Iron, GRP, PVC, H. D. P. E. and Spirally Welded Steel pipes is existing and can affect Company's business prospects.

The prices of the key raw materials used by the Company i.e. steel had increased in the last quarter while cement prices witnessed increase in the 2nd half of the year under review.

Volatility in the prices of key raw materials especially steel and cement has become a major area of concern for your Company.

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 2011, the Company has achieved an adjusted turnover of ₹ 64,595.66 Lacs as compared to previous year's adjusted turnover of ₹ 67,564.54 Lacs.

The profit before tax & prior year's charge is ₹ 4,235.51 Lacs as against ₹ 5,060.54 Lacs achieved last year. The order book position as on 31st March, 2011 is ₹ 1,01,045.86 Lacs as compared to ₹ 1,31,528.89 Lacs in the previous year.

8. Human Resources and Industrial Relations:

The Company has total strength of 1529 employees as on 31st March, 2011 working at various locations such as Factories / Projects / Head Office and Research & Development Department.

The management has successfully negotiated and settled the demands of workmen working at our factories at Yelhanka, Miraj, Karari-II and Tirunelveli-II.

The Company had organized training programmes to create awareness about importance of industrial safety and precautionary measures to be taken for safe working at place of work. These training programmes were conducted at our factories viz. Rajkot, Kanhan, Pune and Miraj.

Further to develop human resources, to improve their performance and to motivate them to contribute effectively to the organization, in house training programme on Achieving Excellence at Work, Managerial Effectiveness and Time Management was conducted at Head Office.

In house work shop for fresh engineers to make them familiar with the manufacturing process and laying of PSC pipes was organized at our factories viz. Patancheru, Vadgaon and Miraj.

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

9. Corporate Social Responsibility:



Bubble CPAP system donated to LTMG Hospital, Sion

In keeping with the noble and rich tradition of charity inculcated by our founder Late Seth Walchand Hirachand an Industrialist and a Legendary, Visionary and Philanthropist of his era, the Company had donated monies to Walchand Hirachand Foundation and Ratanchand Hirachand Foundation promoted and sponsored by the Promoters of the Company, for carrying out

charitable activities such as Educational Grant to needy students and Institutions, Medical Aid to the patients as well as to the Hospitals / Charitable Trusts and donation of costly medical equipments to the municipal hospitals.



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

Some part of the income earned out of the corpus donation made by the Company in the past as well as this year was applied for payment of Educational Grants to 23 students and donation to SOS Children's Villages of India and Society for Rehabilitation of Crippled Children, Medical Aid to needy patients and Institutions / Hospitals by Ratanchand Hirachand Foundation. Further the Foundation is funding the salary of the nurse working in Human Milk Bank in Lokmanya Tilak Municipal Medical College & General Hospital, Sion, Mumbai.

During the year Ratanchand Hirachand Foundation had donated Fisher & Paykel Bubble CPAP System costing around ₹ 2.50 Lacs to Lokmanya Tilak Municipal Medical College & General Hospital, Sion, Mumbai (LTMG Hospital, Sion). The Ratanchand Hirachand Foundation had sponsored an eye camp in association with Pradhan Eye Hospital, Solapur for free cataract surgery with lens implant, at a cost of ₹ 95,000/-. They have successfully performed thirty five cataract surgeries with lens implant with two special types of eye surgeries (Laser Photoagulation) and two eye surgeries of Laser treatment (DCR).



Eye camp in association with Pradhan Eye Hospital, Solapur

Similarly, the Walchand Hirachand Foundation has provided Educational Grants to 103 students and 2 Institutions i.e. Kushtarag Niwaran Samiti and The Society for the Protection of Children in Western India, Foundation has also donated the Medical Aid to 5 needy patient.



GE-Corometrics 172 (Dual Ultrasound, Dual Display, Simultaneous Dual Printing) Fetal Machine

Further during the year Walchand Hirachand Foundation had donated GE-Corometrics 172 (Dual Ultrasound, Dual Display, Simultaneous Dual Printing) Fetal Machine costing around ₹ 2.01 Lacs to Lokmanya Tilak Municipal Medical College & General Hospital, Sion, Mumbai (LTMG Hospital, Sion).

In all, these Foundations had donated over ₹ 43 Lacs towards charitable purpose during the financial year under review.

10. Cautionary Statement:

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

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Dated : 24th May, 2011

Presently the Company is manufacturing 10 types of Air Rifles and Air Pistols. These are sold by the Company as also marketed by our Distributors all over India.

The Hon'ble Gujarat High Court by an Order and Judgement dated 6th August, 2007 passed by the Hon'ble Ms. Justice R. M. Doshit, in the case of the Company has inter alia held :

"It is declared that the petitioners are exempted from all the provisions of the Act as envisaged by the aforesaid Item No.3 of Schedule-II to the Government Notification dated 13th July, 1962; subject to the conditions imposed by the Additional Commissioner of Police in his Order dated 19th July, 2007".

In or about the first week of June 2011 the Company became aware of the Order and Judgment dated 20-05-2011 of the Honorable High Court of Delhi at New Delhi in the matter of People for Animals (Petitioners) V/s. Union of India & Ors. (Respondents) inter-alia quashing the Notification No.GSR 991 dated 13-07-1962 Entry No.1(3) of Schedule II under the Arms Act, 1959 whereunder inter-alia Air Rifles and Air Pistols were exempted from the provisions of the Arms Act, 1959.

In view of the said Order and Judgment dated 20-05-2011 of the Honorable Delhi High Court, the Company has stopped the manufacturing of Air Rifles and Air Pistols at its factory at Vatva, Gujarat as also its sale. Accordingly, the Company had taken appropriate steps and informed the Additional Police Commissioner (Traffic), Ahmedabad and its Distributors about the Delhi High Court Judgment dated 20-05-2011 and stopping of production and sale of Air Rifles and Air Pistols.

The said Order and Judgment dated 20-05-2011 is proposed to be assailed in the Honorable Supreme Court of India.

The Company will await the decision of the Honorable Supreme Court of India.

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Dated : 13th June, 2011

DIRECTORS' REPORT

TO
THE MEMBERS,

Your Directors are pleased to present to you the Annual Report on the business operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2011.

(₹ in Lacs)

FINANCIAL RESULTS

	Year Ended 31-3-2011	Year Ended 31-3-2010
Income from Operations	64595.66	67564.54
Profit Before Interest, Depreciation & Tax (PBIDTA)	6719.36	7623.45
Less: Interest	1744.23	1891.21
Depreciation	739.62	671.70
	2483.85	2562.91
Profit Before Tax	4235.51	5060.54
Less: Provision for Taxation	1438.56	1798.00
Profit Before Earlier Years' Tax	2796.95	3262.54
Add/(Less): Earlier Years' Tax	-	(405.24)
Net Profit After Tax	2796.95	2857.30
Add: Transfer from General Reserve No.II	-	397.89
Transfer from Debenture Redemption Reserve	500.00	-
Balance Brought Forward from last year	8790.28	7301.90
Surplus available for Appropriation	12087.23	10557.09
Less: Proposed Dividend	484.47	484.47
Tax on Dividend	78.59	82.34
General Reserve No.I	1000.00	700.00
Debenture Redemption Reserve	-	500.00
	1563.06	1766.81
Surplus Carried to Balance Sheet	10524.17	8790.28

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 income from operations is lower by 4.39% to ₹ 64,595.66 Lacs as compared to ₹ 67,564.54 Lacs of the previous year. The profit after tax for the year is ₹ 2,796.95 Lacs as compared to ₹ 2,857.30 Lacs of the previous year.

DIVIDEND :

Your Directors are pleased to recommend a dividend of ₹ 2/- per share of ₹ 2/- each (100%) as against ₹ 10/- per share of ₹ 10/- each (100%) for the previous year; payable to those equity shareholders whose names stand registered in the books of your Company as on the book closure date.

The total equity dividend together with the dividend tax will absorb ₹ 563.06 Lacs.

FINANCE :

During the year under review, liquidity position of your company was maintained satisfactorily and optimum utilisation of financial resources was achieved. Due to slower realization from the project authorities, overall borrowings increased. Despite the management resorting to cheaper sources of finance, interest rates during the second half of the year hardened

on account of fiscal policy declared by RBI from time to time. In spite of additional borrowings and firming up of the interest rates in later part of the financial year, due to optimum utilisation of working capital, interest on working capital had gone up marginally. However, due to increase in interest received during the year and interest provision on income tax, which was done in previous year, total interest expenses of the year shows savings as compared to previous year. The Company has redeemed the privately placed Secured Redeemable Non-Coverable Debentures of ₹ 20 crores having a tenure of 360 days which were issued to LIC Mutual Fund.

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

INCOME TAX ASSESSMENT :

The income tax assessment of your Company has been completed till assessment year 2008-09. The Company's appeals against the assessment orders for various financial years are pending with the Appellate Authorities. The amount of disallowance involved in the various appeals is ₹ 5,011.47 Lacs on which necessary provision has been made in accounts. The major dispute is with regard to the claim made under Section 80IA of the Income Tax Act, 1961 in respect of execution of eligible infrastructure project of water, sewerage and irrigation.



DIRECTORS' REPORT

Further, the Company's appeal for assessment year 2003-04, has been decided by the Income Tax Appellate Tribunal in its favour, but the Income Tax Department has filed appeal in the Honourable Bombay High Court. In view of the retrospective amendment made by Finance Act, 2009 to Section 80IA of the Income Tax Act, 1961, your Company has made necessary provision in accounts, as a matter of abundant caution, equivalent to the income tax refund received and interest payable thereon.

FACTORIES / PROJECTS:

During the year, the Company has completed the procedural formalities for conveying the land in its name at Miraj, Maharashtra on which the Company has one of its factory since 1936. The Company has now become owner of the land. Further the adjacent land to the Miraj factory was also purchased. The adjoining pieces of land at Chilamathur factory in Andhra Pradesh were purchased. The Company is setting up a new factory near Dhule, Maharashtra.

The Company has closed down its factory at Hadapsar, Pune w.e.f.1st February, 2011. On the closure date there were no employees on the roll of the factory. The Hadapsar factory was established in 1959 for manufacturing and supplying Penstock pipes required for hydro projects. The factory was underutilised for some time for want of orders. After exploring various options, the Board has decided to utilise the underutilised land by giving development rights to Dosti Realty Ltd., the Developer and finally sell the land to Dosti Realty Ltd. on completion of the development and on receipt of full consideration from them.

Thus the total number of factories / project establishments of the Company as at the end of period under report stand at 25.

DEVELOPMENT OF HADAPSAR LAND

The Company has entered into a Memorandum of Understanding on 29th April, 2011 with Dosti Realty Ltd., the Developer for developing the Company's Hadapsar land at Pune admeasuring 48,288 sq. mtrs. Dosti Realty Ltd. will develop the land mainly for residential and / or commercial purpose at their cost. On getting all the permissions, approvals and sanctions from the concerned authorities in a time bound manner the Company will enter into Development Agreement(s) with Dosti Realty Ltd. The Company will give full development rights to Dosti Realty Ltd. for development of the Hadapsar land and finally sell the land to them or to their nominee(s) on completion of development and on receipt of full consideration by the Company.

CORPORATE GOVERNANCE:

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

PUBLIC DEPOSITS AND LOANS/ADVANCES:

An aggregate amount of ₹ 16.37 Lacs representing 66 fixed deposits had matured but remained unpaid / unclaimed as at 31st March, 2011 pending instructions from the depositors concerned. Since then 10 fixed deposits

aggregating ₹ 1.67 Lacs have been repaid / renewed.

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

Further, in conformity with the aforesaid Clause, the cash flow statement for the year ended 31st March, 2011 is annexed hereto.

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

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

[a] Conservation of Energy :

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

[b] Technology absorption, Adaptation and Innovation:

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

[c] Foreign Exchange Earnings and Outgo :

The required information in respect of foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the Financial Year ended 31st March, 2011.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Article 152 of the Articles of Association of the Company, Mr. Rameshwar D. Sarda and Ms. Anima B. Kapadia Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Mr. P. D. Kelkar is appointed as an Additional Director of the Company by the Board of Directors w.e.f. 24th May, 2011. In terms of the Companies Act, 1956 he holds office only upto the date of the ensuing Annual General Meeting of the Company. A notice in writing under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose Mr. P. D. Kelkar as Director of the Company at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. in the preparation of the Annual Accounts for the financial year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;

DIRECTORS' REPORT

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Annual Accounts for the financial year ended 31st March, 2011 have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES :

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

AUDITORS :

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

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

You are requested to re-appoint the retiring Statutory Auditors of the Company for the financial year 2011-12.

BRANCH AUDITORS :

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

You are requested to re-appoint M/s. Brahmayya & Co., Chartered Accountants as Branch Auditors u/s 228 of the Companies Act, 1956, to carry out Branch Audit, Limited Review and Tax Audit of the Company's Factories, Projects and Project Offices in the State of Andhra Pradesh for the financial year 2011-12 and also authorise Board of Directors to appoint Branch Auditors in other States.

COST AUDITOR :

In terms of the Cost Audit Order the Company has re-appointed Mr. V. V. Deodhar, Cost Auditor u/s 233(B) of the Companies Act, 1956 to do the Cost Audit in respect of one of the Company's products, viz. Steel Pipes for the financial year 2011-12, subject to the approval of the Central Government.

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

INDUSTRIAL RELATIONS :

The Company is having total strength of 1,529 employees as on 31st March, 2011 working at various locations such as Factories / Projects / Head Office and Research & Development Department, Mumbai.

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

ACKNOWLEDGEMENTS :

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

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

Wishing you all good health, wealth and prosperity.

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Registered Office:

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

Date : 24th May, 2011



ANNEXURE TO DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

(A) RESEARCH AND DEVELOPMENT (R & D)

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

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

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

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

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

(3) Future Plan of Action :

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

(4) Expenditure on R&D :

The total expenditure on Research & Development during the year was ₹ 203.55 Lacs (0.32% of the turnover) as compared to ₹ 196.49 Lacs (0.29 % of the turnover) of previous year.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1) Modification of Miraj and Karari factories completed to manufacture up to 2000 mm dia PSC pipes.
- 2) Developed equipment called 'Wire Separator' in wire winding machine which winds wire uniformly on the Bobbin resulting in non entanglement of wire and snapping of wire. This has been erected at Miraj factory.
- 3) Designed and developed improved layout by installing E.O.T Crane up to 20 M.T. capacity in wire winding and out coating section thereby eliminating our old method of handling of PSC pipes by monorail and hoist system which had some limitations.
- 4) Introduced Pneumatic / Electric Wrench system for Tensioning and De-Tensioning of longitudinal wire in pipes and mould opening and closing operations, thus reducing in process time considerably.
- 5) Designed and developed heavy duty moulding machine runners in place of Railway wheels which are not available in the market. The trials of newly developed moulding runners are found satisfactorily. This has increased the life of runners and reduced dependency on Railway wheels.
- 6) Modification of Vadgaon factory was carried out to manufacture 6.5 mtrs. length BWSC pipes with larger diameter and more productivity.
- 7) In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished :
 - (a) Technology imported
 - (b) Year of Import
 - (c) Has technology been fully absorbed
 - (d) If not fully absorbed, areas which this has not taken place, reasons therefore and future plans of action.

} NIL

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Date : 24th May, 2011

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY:

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

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

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

I. BOARD OF DIRECTORS:

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

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

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

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

The Constitution of the Board as is as under:

Directors	Category	Total number of Committee Memberships of Public Companies +	Total number of Chairmanships of Committees of Public Companies +	Total number of Directorships of other Public Companies *
Executive				
Mr. Rajas R. Doshi Chairman & Managing Director	Promoter	5	1	4
Non-Executive				
Mr. Ajit Gulabchand	Independent	4	1	14
Ms. Jyoti R. Doshi	Promoter	Nil	Nil	2
Mr. Rajendra M. Gandhi	Independent	1	1	1
Mr. Rameshwar D. Sarda	Independent	1	Nil	2
Mr. N. Balakrishnan	Independent	2	Nil	2
Ms. Anima B. Kapadia	Non-Independent	2	1	3
Mr. Vijay Kumar Jatia	Independent	2	Nil	5
Mr. P. D. Kelkar (from 24-5-2011)	Non-Independent	Nil	Nil	2

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

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

Mr. P. D. Kelkar is the other Non-Executive Director of the Company who has recently retired from the very long meritorious service of 52 years with the Company.

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

Apart from the above and apart from the reimbursement of expenses incurred in the discharge of their duties, the sitting fees that these Directors would be entitled to as fixed by the Board under the Companies Act, 1956 as Non-Executive Directors, the commission they may receive of 1% of net profits for the year or an amount not exceeding ₹ 16 Lacs per annum in aggregate whichever is less for a period of 3 years commencing from the financial year 2009-10, the remuneration that the Directors may receive for professional services as a Legal Advisor and the dividend on the shares owned by them, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates, its Holding Company which in their judgment would affect their independence.

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

A. Composition of Board

The Company presently has nine Directors and out of which two belongs to Promoter Group and out of which one is the Chairman & Managing Director. There are five Independent Non-Executive Directors and professionals with expertise and experience in general corporate management, finance, insurance, law, construction, Pipes and other allied fields and two Directors are Non-Independent Non-Executive Directors.

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



CORPORATE GOVERNANCE REPORT

B. Board Procedure

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

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

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

The remuneration paid / payable to Non-Executive Directors for the year ended 31st March, 2011 is as under :

Director	Board	Committee	Commission *	Total
Mr. Ajit Gulabchand	10,000	10,000	2,28,571	2,48,571
Ms. Jyoti R. Doshi	40,000	--	2,28,571	2,68,571
Mr. Rajendra M. Gandhi	40,000	40,000	2,28,571	3,08,571
Mr. Rameshwar D. Sarda	40,000	40,000	2,28,571	3,08,571
Mr. N. Balakrishnan	40,000	30,000	2,28,571	2,98,571
Ms. Anima B. Kapadia	40,000	30,000	2,28,571	2,98,571
Mr. Vijay Kumar Jatia	40,000	60,000	2,28,571	3,28,571
Total :	2,50,000	2,10,000	15,99,997	20,59,997

* Provision has been made in accounts for the year 2010-11.

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

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

Four Board meetings were held during the period from 1st April, 2010 to 31st March, 2011 on the following dates:

- 26th May, 2010
- 29th July, 2010
- 29th October, 2010
- 25th January, 2011

The Eighty Fourth Annual General Meeting was held on 29th July, 2010.

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

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

D. Directors seeking re-appointment

Mr. Rameshwar D. Sarda and Ms. Anima B. Kapadia, Directors retire by rotation and being eligible have offered themselves for re-appointment. Mr. P. D. Kelkar was appointed as an Additional Director in terms of Section 260 of the Companies Act, 1956 and is being appointed as the Director of the Company. The resume of the Directors seeking re-appointment are given in the Annual Report.

II. Remuneration to Directors

A. Remuneration to Non-Executive Directors for the year ended 31st March, 2011.

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

In the Annual General Meeting held on 27th July, 2009, the members had approved the payment of commission, not exceeding 1% of the net profits of the Company or an amount not exceeding ₹ 16 Lacs in aggregate, whichever is less, per financial year, to Non-Executive Directors for a period of 3 years commencing from the financial year 2009-10.

The Board of Directors at its meeting held on 24th May, 2011, has decided to pay equal commission to all Non-executive Directors for the financial year 2010-11.

(₹)

CORPORATE GOVERNANCE REPORT

B. Remuneration to the Managing Director for the year ended 31st March, 2011.

Remuneration payable to the Managing Director is fixed by the Remuneration Committee and thereafter approved by the Board and Shareholders at a General meeting.

Following is the remuneration paid / payable to the Managing Director for the year ended 31st March, 2011 :

(₹ in Lacs)

Director	Salary, Perquisites and Allowances	Company's contribution to funds*	Commission*	Total	Contract Period
Mr. Rajas R. Doshi Chairman & Managing Director	90.46	14.18	116.83	221.47	5 years with effect from 01-07-2008 to 30-06-2013

* Provision has been made in accounts for the year 2010-11.

Note:

1. Service Contract in case of Chairman & Managing Director is for five years and Notice period applicable to Managing Director is six months.
2. The overall remuneration to the Managing Director is recommended by the Remuneration Committee.
3. Commission proposed is payable to the Chairman & Managing Director after the Audited Accounts are adopted by the Members of the Company at the ensuing Annual General Meeting.

III. COMMITTEES OF BOARD

A. Audit Committee

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

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

The Company Secretary acts as the Secretary to the Committee.

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

Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to review the remuneration payable to the Statutory Auditors and to recommend a change in Auditors, if felt necessary. It is also empowered to review Financial Statements, Management Discussion & Analysis Report and material individual transactions with related parties not in normal course of business or which are not at an arm's length basis. Generally all items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

Four committee meetings were held during the year from 1st April, 2010 to 31st March, 2011 on the following dates:

- | | |
|-------------------|----------------------|
| - 26th May, 2010 | - 29th October, 2010 |
| - 29th July, 2010 | - 25th January, 2011 |

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

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

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

B. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

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

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

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

During the year one Committee meeting was held on 29th October, 2010. The attendance at the meeting was as under:

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



CORPORATE GOVERNANCE REPORT

Share Transfers are approved twice in a month by the Chairman & Managing Director.

During the year, 14 complaints were received from the shareholders, all of which were attended to/resolved to date.

As on 31st March, 2011, there were no pending share transfers pertaining to the year under review.

C. Remuneration Committee

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

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

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

During the year two Committee meetings were held on 26th May, 2010 and 25th January, 2011. The attendance at the meeting was as under :

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

Remuneration Policy

While deciding on the remuneration for Directors, the Board and Remuneration Committee considers the performance of the Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board / Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

IV. DISCLOSURES

A. Related Party Transactions:

During the financial year 2010-11, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, relatives, etc. that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in note No.14 of Schedule "R" to Annual Accounts of the Annual Report.

B. Disclosure of Accounting Treatment in Preparation of Financial Statements

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

C. Risk Management Frame Work

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

D. Code of Conduct

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

E. Code for Prevention of Insider-Trading

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

F. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and the Controller of Accounts & Finance of the Company have issued a certificate to the Board of Directors, for the year ended 31st March, 2011.

V. SHAREHOLDER INFORMATION

(i) Annual General Meeting

The Eighty Fifth Annual General Meeting of the Company will be held on Wednesday, 27th July, 2011 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

The financial year covers the period 1st April to 31st March.

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

June, 2011 - by 14th August, 2011.

September, 2011 - by 14th November, 2011.

December, 2011 - by 14th February, 2012.

Audited financial results for the year ended 31st March, 2012 - by end of May, 2012.

AGM for the year ended 31st March, 2012 - by end of July, 2012.

Note : The above dates are indicative.

(iii) Book Closure

Friday, 15th July, 2011 to Wednesday, 27th July, 2011 (both days inclusive).

CORPORATE GOVERNANCE REPORT

(iv) Dividend Payment Date

On or after Monday, 1st August, 2011.

(v) Listing of Equity Shares on Stock Exchanges

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

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

(vi) Stock Codes :

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

(vii) Stock Market price data:

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

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2010	827	716	830	723
May 2010	810	700	817	702
June 2010	743	660	741	661
July 2010	873	707	873	705
August 2010	996	156	953	156
September 2010 **	171	154	173	152
October 2010	196	161	205	161
November 2010	183	140	184	140
December 2010	159	135	163	117
January 2011	153	123	155	125
February 2011	144	122	148	120
March 2011	147	111	148	124

** The High / Low price of Shares have gone down due to Sub-Division of the face value of Equity Shares from ₹ 10/- to ₹ 2/- each. w.e.f. 01-09-2010.

(viii) Stock Performance in comparison to BSE Sensex.

Month	BSE Sensex				IHP Price			
	Open	High	Low	Close	Open	High	Low	Close
April 2010	17555	18048	17277	17559	730	827	716	796
May 2010	17537	17537	15960	16945	780	810	700	713
June 2010	16943	17920	16318	17701	707	743	660	713
July 2010	17679	18238	17396	17868	710	873	707	770
August 2010	17911	18475	17820	17971	775	996	156	159
September 2010 **	18027	20268	18027	20069	157	171	154	161
October 2010	20094	20855	19769	20032	161	196	161	173
November 2010	20272	21109	18955	19521	177	183	140	147
December 2010	19530	20552	19075	20509	151	159	135	146
January 2011	20622	20665	18038	18328	151	153	123	128
February 2011	18425	18691	17296	17823	125	144	122	125
March 2011	17982	19575	17792	19445	127	147	111	127

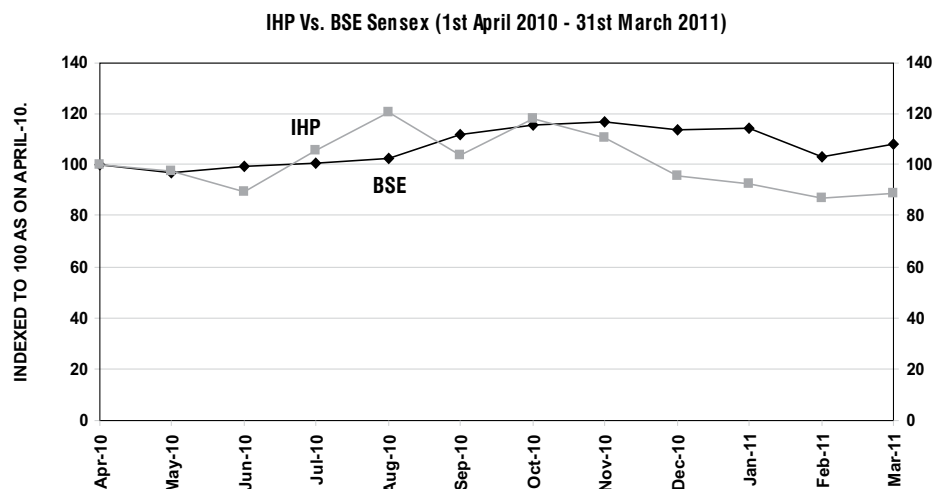
** The High / Low price of Shares have gone down due to Sub-Division of the face value of Equity Shares from ₹ 10/- to ₹ 2/- each. w.e.f. 01-09-2010.



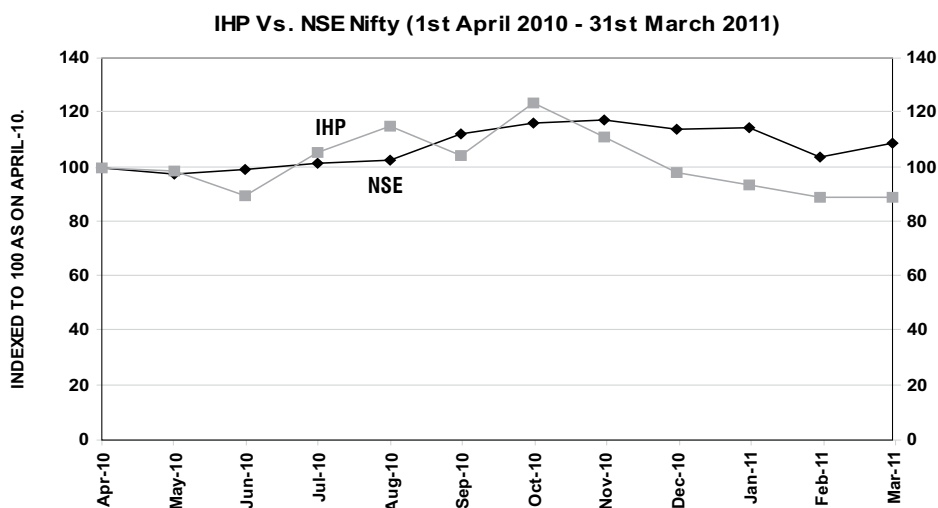
CORPORATE GOVERNANCE REPORT

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

The following charts show the performance of price of Company's Shares as compared to the BSE Sensex & NSE Nifty during the year 2010-11.



BSE Sensex and IHP Shares Prices are indexed to 100 at the beginning of April-2010.



NSE Nifty and IHP Shares Prices are indexed to 100 at the beginning of April-2010

(x) Pattern of shareholding as on 31st March, 2011

Sr. No.	Description	Number of Shares	% to paid-up capital
1	Promoters	1,69,37,385	69.92
2	Directors & Relatives	69,153	0.29
3	Public Financial Institutions	415	0.00
4	Banks	44,235	0.18
5	Non Resident Indians / Non-resident	67,396	0.28
6	Bodies Corporate	12,30,125	5.08
7	Public	58,74,876	24.25
	TOTAL	2,42,23,585	100.00

CORPORATE GOVERNANCE REPORT

(xi) Distribution of shareholding as on 31st March, 2011

Shares Held	No. of Shareholders	% to Shareholders	No. of Shares	% to Capital
Up to – 500	11,656	84.59	16,27,084	6.72
501 – 1000	949	6.89	7,55,980	3.12
1001 - 2000	559	4.06	8,20,318	3.39
2001 – 3000	244	1.77	6,09,929	2.52
3001 – 4000	96	0.70	3,43,686	1.42
4001 - 5000	93	0.67	4,30,680	1.78
5001 – 10000	117	0.85	8,51,301	3.51
10001 - and above	65	0.47	1,87,84,607	77.54
TOTAL	13,779	100.00	2,42,23,585	100.00

(xii) Promoters Group

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

* Includes shares held under HUF and under Trust.

(xiii) Dematerialization of Shares and Liquidity as on 31st March, 2011.

Physical Form : 71.78%
Dematerialised Form : 28.22%

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

(xiv) Registrar and Share Transfer Agent

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

(xv) Share Transfer System

All the transfers received in physical form are processed by the Registrar and Share Transfer Agent of the Company and approved by the Managing Director of the Company, twice a month or more depending on the volume of transfers and reports to the Board of Directors.

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

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

(xvii) Plant Locations:

The total number of factories / projects establishments of the Company are 25.

(xviii) Address for correspondence

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

VI. OTHER DISCLOSURES

- The Annual General Meetings of the Company during the previous 3 years were held at Walchand Hirachand Hall, 4th floor, Indian Merchants Chamber Building, Churchgate, Mumbai - 400 020. The date and time of the Annual General Meetings and the special resolutions passed there at are as follows:

Year	Date	Time	Special Resolutions passed
2007-08	30-07-2008	4.00 p.m.	Commencement of New Business
2008-09	27-07-2009	4.00 p.m.	Payment of commission to Non-Executive Directors
2009-10	29-07-2010	4.00 p.m.	Sub-division of Equity Shares of the Company of the face value of ₹ 10/- each into 5 Equity Shares of the face value of ₹ 2/- each.

No special resolution was passed through postal ballot during 2010-11. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

2. Details of non-compliance etc.

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

3. Means of Communication

The quarterly, half yearly & yearly results are published in The Economic Times and Maharashtra Times which are national and local dailies. These are not sent individually to the Shareholders. The Company results and official news releases are displayed on the Company's website <http://www.indianhumepipe.com>.



CORPORATE GOVERNANCE REPORT

4. Management Discussion & Analysis Report

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

5. Compliance with mandatory & non-mandatory requirements

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

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

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

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

To

The Members of The Indian Hume Pipe Co. Ltd.

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

Rajas R. Doshi
Chairman & Managing Director

Place : Mumbai

Date : 24th May, 2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

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

We have examined the compliance of conditions of Corporate Governance by The Indian Hume Pipe Co. Ltd. for the financial year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Raghuvir M. Aiyar
Partner
Membership No.38128

Place : Mumbai

Date : 24th May, 2011

AUDITORS' REPORT

To the Members of
The Indian Hume Pipe Company Limited

We have audited the attached Balance Sheet of The Indian Hume Pipe Company Limited as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with in this report;

- (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
- (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet of the state of the affairs of the Company as at 31st March, 2011;
 - b) in case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

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

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: 24th May, 2011



ANNEXURE TO AUDITORS' REPORT

Re: The Indian Hume Pipe Company Limited

Referred to in paragraph 3 of our report of even date,

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

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

Name of the Statute	Nature of the Dues	Amount (₹ Lacs)	Period to which the amount relates	Due date	Date of payment
Andhra Pradesh Value Added Tax, 2005	Works Contract Tax	26.11	2009-10	20-04-2010	Not paid

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

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending		
			Commissionerate/ Dy. Commissionerate (₹ Lacs)	Appellate Tribunal Authorities (₹ Lacs)	High Court (₹ Lacs)
Sales Tax / VAT	Tax /Penalty/ Interest	1980-81	-	-	1.09
		1982-83	-	-	2.57
		1986-87	-	-	1.78
		1989-90	-	25.31	75.15

ANNEXURE TO AUDITORS' REPORT

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending		
			Commissionerate/ Dy. Commissionerate (₹ Lacs)	Appellate Tribunal Authorities (₹ Lacs)	High Court (₹ Lacs)
		1990-91	-	35.70	66.84
		1991-92	-	31.31	15.09
		1992-93	-	15.40	90.82
		1993-94	-	14.39	88.83
		1994-95	-	53.11	69.66
		1995-96	-	106.11	157.94
		1996-97	-	0.20	77.95
		1997-98	1.12	-	65.35
		1998-99	-	-	59.30
		1999-00	-	-	5.81
		2000-01	-	-	85.30
		2001-02	-	-	197.15
		2002-03	-	-	167.40
		2003-04	-	-	120.21
		2004-05	-	-	59.95
		2005-06	-	-	32.53
		2006-07	4.50	-	34.45
		2007-08	13.35	-	-
		2008-09	-	16.47	-
Central Excise Act, 1944	Duty, Interest and Penalty on Valuation/Classification/Tariff	1978-79	1.06	-	-
		1981-82	0.37	-	-
		1982-83	0.11	-	-
		1985-86	0.06	-	-
		1990-91	-	1.73	-
		1991-92	0.57	0.80	-
		1992-93	0.15	-	-
		1993-94	-	0.35	-
		1994-95	7.01	3.10	-
		1995-96	0.59	1.61	-
		1996-97	0.53	-	-
		1997-98	0.71	-	-
		1998-99	0.80	-	-
		1999-00	0.51	-	-
		2000-01	1.25	-	-
		2004-05	11.89	8.44	-
		2005-06	-	4.80	-
		2006-07	-	5.40	211.53
		2007-08	-	376.00	-
		2008-09	44.43	439.34	-
		2009-10	-	0.74	-
		2010-11	-	131.06	-
Service Tax	Tax, Penalty, Interest	2008-09	-	1.80	-
		2009-10	7.76	-	-
		2010-11	6.27	-	-



ANNEXURE TO AUDITORS' REPORT

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

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

Raghuvir M. Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: 24th May, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

			As at 31-03-2011 ₹ Lacs	As at 31-03-2010 ₹ Lacs
SCHEDULE				
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	484.47		484.47
Reserves and Surplus	B	20531.26		18297.37
			21015.73	18781.84
Loan Funds				
Secured Loans	C	10722.33		10920.72
Unsecured Loans	D	11249.23		9676.05
			21971.56	20596.77
TOTAL			42987.29	39378.61
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	12357.94		10863.77
Less: Depreciation		5147.27		4453.93
Net Block		7210.67		6409.84
Capital Work in Progress		9.43		118.93
Total Fixed Assets (Net)			7220.10	6528.77
Investments	F		141.00	1749.72
Deferred Tax Assets (Net)			118.80	75.80
Current Assets, Loans and Advances				
Inventories	G	41716.86		42803.52
Sundry Debtors		2086.96		1774.94
Cash and Bank Balances		3885.96		2358.42
Other Current Assets		22.08		23.24
Loans and Advances		12205.72		8972.46
			59917.58	55932.58
Less: Current Liabilities and Provisions				
Current Liabilities	H	23308.84		24078.81
Provisions		1101.35		829.45
		24410.19		24908.26
Net Current Assets			35507.39	31024.32
TOTAL			42987.29	39378.61

The annexed schedules 'A' to 'H' & 'R' form an integral part of the Balance Sheet.

In the opinion of the Board, the current assets, loans and advances, subject to the notes in schedule "R" are approximately of the values stated if realised in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities to our knowledge other than those stated in schedule "R".

As per our Report of even date

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

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai: 24th May, 2011

RAJAS R. DOSHI

AJIT GULABCHAND
JYOTI R. DOSHI
RAJENDRA M. GANDHI
N. BALAKRISHNAN
VIJAY KUMAR JATIA
P D KELKAR

S M MANDKE

Chairman & Managing Director

Directors

Company Secretary

Mumbai: 24th May, 2011



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	For the year 2010-11 ₹ Lacs	For the year 2009-10 ₹ Lacs
INCOME			
Income From Operations	I	64595.66	67564.54
Other Operating Income	J	228.76	172.07
Other Income	K	58.24	36.75
		64882.66	67773.36
EXPENDITURE			
Consumption of Raw Materials and Stores	L	12055.92	14474.23
Manufacturing and Other Expenses	M	963.78	1261.05
Construction Expenses	N	35131.73	35694.55
Employees' Remuneration and Welfare Expenses	O	3781.89	3346.14
Excise Duty and Taxes		3683.30	2912.34
Office and Site Establishment	P	2546.68	2461.60
Interest	Q	1744.23	1891.21
Depreciation		739.62	671.70
		60647.15	62712.82
OPERATING PROFIT BEFORE TAX		4235.51	5060.54
Provision For Taxation			
Current Tax		1481.56	1778.00
Deferred tax		(43.00)	20.00
		1438.56	1798.00
PROFIT AFTER TAXATION BEFORE PRIOR YEARS' ADJUSTMENT		2796.95	3262.54
PRIOR YEARS' ADJUSTMENT			
Income Tax (Provision) / Refund of Earlier Years		-	(405.24)
NET PROFIT AFTER TAX		2796.95	2857.30
Add : Transfer From General Reserve No.II		-	397.89
Add : Transfer From Debenture Redemption Reserve A/c		500.00	-
Add : Balance brought forward from last year		8790.28	7301.90
AMOUNT AVAILABLE FOR APPROPRIATION		12087.23	10557.09
Less: Appropriations			
Proposed Dividend		484.47	484.47
Tax on Proposed Dividend		78.59	82.34
General Reserve No.I		1000.00	700.00
Debenture Redemption Reserve		-	500.00
		1563.06	1766.81
Balance Carried to Balance Sheet		10524.17	8790.28
Earnings Per Share (₹)			
(Face value of ₹ 2/- each)			
EPS- Basic and Diluted (before prior years' income)		11.55	13.47
EPS- Basic and Diluted (after prior years' income)		11.55	11.80
Significant Accounting Policies and Notes to and forming part of Accounts	R		

The annexed schedules 'I' to 'R' form an integral part of the Profit and Loss Account.

As per our Report of even date

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

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai: 24th May, 2011

RAJAS R. DOSHI

AJIT GULABCHAND
JYOTI R. DOSHI
RAJENDRA M. GANDHI
N. BALAKRISHNAN
VIJAY KUMAR JATIA
P D KELKAR

S M MANDKE

Chairman & Managing Director

Directors

Company Secretary

Mumbai: 24th May, 2011

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011 ₹ Lacs	As at 31-03-2010 ₹ Lacs
SCHEDULE A		
SHARE CAPITAL		
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 2/- each	1000.00	1000.00
(Previous year- 1,00,00,000 Equity Shares of ₹ 10/- each)		
Issued,Subscribed and Paid-up		
2,42,23,585 Equity Shares of ₹ 2/- each fully paid.	484.47	484.47
(Previous year 48,44,717 Equity Shares of ₹ 10/- each).		
Share Capital includes		
(a) 1,93,47,285 Equity Shares of ₹ 2/- each fully paid (Previous year 38,69,457 Equity Shares of ₹ 10/- each issued as fully paid Bonus Shares by Capitalization of Reserves)		
(b) 18,75,000 Equity Shares of ₹ 2/- each fully paid (Previous year 3,75,000 Equity Shares of ₹ 10/- each issued by part conversion of 13.5% Debentures as per terms on 01-10-1993).		
(c) IHP Finvest Ltd holding Company and Ratanchand Investment Pvt. Ltd., the ultimate holding Company respectively hold 1,59,67,080 and 4,36,160 Equity Shares of ₹ 2/- each (Previous year 31,93,416 and 87,232 Equity Shares of ₹ 10/- each).		
Note: Equity Share of ₹ 10/- each has been sub-divided into 5 equity shares of ₹ 2/- each as approved by the Shareholders in the Annual General Meeting held on 29th July, 2010.		

SCHEDULE B

RESERVES & SURPLUS

a) General Reserve No.I	9007.09		8304.98
Add : Transfer from Profit & Loss Account	1000.00		700.00
Add : Transfer from General Reserve No.II	-		2.11
		10007.09	9007.09
b) General Reserve No.II	-		400.00
Less : Transfer to Profit & Loss Account	-		397.89
Less : Transfer to General Reserve No.I	-		2.11
		-	-
c) Debenture Redemption Reserve	500.00		-
Add : Transfer from Profit & Loss Account	-		500.00
Less :Transfer to Profit & Loss Account	500.00		-
		-	500.00
d) Balance of Profit & Loss Account		10524.17	8790.28
TOTAL		20531.26	18297.37



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31-03-2011 ₹ Lacs	As at 31-03-2010 ₹ Lacs
SCHEDULE C		
SECURED LOANS		
A) Cash Credit/Working Capital		
Demand Loans From Banks		
i) State Bank of Hyderabad	181.70	72.36
ii) Bank of Baroda	–	70.20
iii) Corporation Bank	61.46	–
iv) HDFC Bank	19.55	–
B) General Purpose Corporate Term Loan	262.71	142.56
State Bank of India	366.67	1216.67
C) Short Term Loan		
State Bank of India	10000.00	7500.00
D) 20,00,000 - 6.90% Rated Secured Redeemable Non-Convertible Debentures of ₹ 100/- each	–	2000.00
E) Interest Accrued & Due	92.95	61.49
TOTAL	10722.33	10920.72

- a) All the above cash credit accounts inclusive of working capital demand loans and short term loan are secured by hypothecation of stock in trade, work in progress and book debts 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 on pari passu basis with the consortium Banks.
- b) General purpose Corporate Term Loan taken from State Bank of India is secured against a first charge on Company's Land situated at Badarpur, New Delhi.
- c) Non Convertible Debenture (NCD) issued in 2009-10 to LIC Mutual Fund Asset Management Co. Ltd. are secured by Equitable Mortgage on third charge basis on Company's freehold immovable property (Land situated at Pattancheru (A P) and at Kanhan (Maharashtra)) to the extent of ₹ 20 Crores.

SCHEDULE D UNSECURED LOANS

(1) Fixed Deposits	237.70	511.13
(2) Short-term loans and advances from banks		
i) HDFC Bank	–	1000.00
ii) State Bank Of Hyderabad	2000.00	2000.00
iii) The Bank of Nova Scotia	3500.00	2500.00
iv) The Federal Bank Ltd.	2000.00	–
	7500.00	5500.00
(3) Interest Accrued & Due	–	18.39
(4) Other loans and advances		
Advances/Deposits from Contractees	3511.53	3646.53
TOTAL	11249.23	9676.05

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE E

FIXED ASSETS

(₹. Lacs)

Sr No	ASSETS	GROSS BLOCK (at book value)				DEPRECIATION				NET BLOCK	
		As at 1/4/2010	Additions	Deductions / Adjustment	As at 31/3/2011	Upto 1/4/2010	Adjustment on Deductions	For the year	As at 31/3/2011	As at 31/3/2011	As at 31/3/2010
1	Free hold Land	1021.63	494.15 **	15.56	1500.22	–	–	–	–	1500.22	1021.63
2	Lease hold Land	2.05	–	–	2.05	0.81	–	0.02 *	0.83	1.22	1.24
3	Buildings	4334.17	682.92	–	5017.09	1236.30	–	263.28	1499.58	3517.51	3097.87
4	Plant & Machinery & Equipment	4619.11	326.75	25.79	4920.07	2665.78	24.11	388.70	3030.37	1889.70	1953.33
5	Office Equipments & Furniture	189.92	4.77	2.95	191.74	116.60	2.70	13.44	127.34	64.40	73.32
6	Patents	3.45	–	–	3.45	3.44	–	–	3.44	0.01	0.01
7	Vehicles	693.44	51.72	21.84	723.32	431.01	19.50	74.20	485.71	237.61	262.43
Total		10863.77	1560.31	66.14	12357.94	4453.93	46.31	739.64	5147.27	7210.67	–
Total of previous year		9473.95	1488.52	98.70	10863.77	3866.31	84.10	671.73	4453.93	–	6409.84
Capital Work in Progress (including advances)										9.43	118.93
Total										7220.10	6528.77

* Represents lease rent Written Off in "Rent on assets " Account.

** Includes ₹. 8.99 Lacs as refund of Stamp Duty by Andhra Pradesh Government - Choutuppal Factory



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE F INVESTMENTS

Sr. No.	PARTICULARS	NOS.	FACE VAUE EACH (₹)	As at 31st March 2011 (₹ Lacs)			As at 31st March 2010 (₹ Lacs)		
				COST OR BOOK VALUE UNQUOTED	COST OR BOOK VALUE QUOTED	MARKET VALUE	COST OR BOOK VALUE UNQUOTED	COST OR BOOK VALUE QUOTED	MARKET VALUE
A.	LONG TERM INVESTMENTS								
	TRADE INVESTMENT :								
	IN CO-OPERATIVE SOCIETIES :								
	- Mohan Small Scale Industries Co-operative Society Limited Equity Shares(Fully Paid)	1	1000	0.01	-	-	0.01	-	-
	- Adinath Co-operative Housing Society Limited Equity Shares(Fully Paid)	20	50	0.01	-	-	0.01	-	-
	- Shushrusha Citizens' Co-operative Hospital Ltd. Equity Shares (Fully Paid)	100	100	0.10	-	-	0.10	-	-
	- Walchand Co-operative Housing Society Ltd. Equity Shares(Fully Paid)	10	50	0.01	-	-	0.01	-	-
	- Hind Co.Operative Housing Society Ltd. Equity Shares (Fully Paid)	5	50	--	-	-	--	-	-
	- Kalptaru ResidencyCo.Operative Housing Society Ltd. Equity Shares (Fully Paid)	10	50	0.01	-	-	0.01	-	-
	- Las Palmas Co.Operative Housing Society Ltd. Equity Shares (Fully Paid)	10	50	0.01	-	-	0.01	-	-
	- Godrej Properties Ltd Tower 2 "AQUA" Equity Shares (Fully Paid)	10	50	0.01	-	-	0.01	-	-
	- Ashok Kumar Towers Co-operative Housing Society Ltd Equity Shares (Fully Paid)	5	50	-	-	-	--	-	-
	OTHERS :								
	IN GOVERNMENT SECURITIES :								
	G. P. Notes #			0.08	-	-	0.08	-	-
	Post Office Savings Certificates#			0.02	-	-	0.02	-	-
	IN SHARES,DEBENTURES AND BONDS:								
	IN EQUITY /PREFERANCE SHARES (Fully Paid)								
	- Kapole Co-Operative Bank Ltd.	2000	10	0.20	-	-	0.20	-	-
*	- Hindustan Construction Co. Ltd.	320000	1	-	9.92	116.32	-	9.92	214.40
	- Tata Consultancy Services Ltd	4000	1	-	8.50	47.30	-	8.50	31.23
	- National Thermal Power Corporation Ltd	16759	10	-	10.39	32.34	-	10.39	34.69
	- M/s. Ogale Glass Works Ltd.	5907	5	-	-	-	-	-	-
	- M/s. Deccan Agricultural Industries Ltd. 5% Preference Shares	63	100	-	-	-	-	-	-
	- M/s. Bharat Prakashan Ltd.	1000	20	-	-	-	-	-	-
	- M/s. Mysore State Film Industry Development Corporation Ltd.	100	100	-	-	-	-	-	-
	IN EQUITY LINK MUTUAL FUNDS (At Cost)								
	UNITS OF MUTUAL FUNDS								
	- SBI One India Fund Growth	50000	10	-	-	-	5.00	-	5.33
	- JM Emerging Leaders Fund Growth	201149	10	21.00	-	14.52	21.00	-	15.78
	- SBI Capital Protection Oriented Fund Series I	50000	10	5.00	-	5.48	5.00	-	5.26
B.	CURRENT INVESTMENTS								
	UNITS OF MUTUAL FUNDS								
	- HDFC Treasury Management Fund	15951547	10	-	-	-	1600.18	-	1,600.18
	- SBI Ultra Short Term	248720	10	-	-	-	25.07	-	25.06
C.	REAL ESTATE- PMS								
	- HDFC AMC Ltd A/C REP			85.73	-	85.73	64.20	-	64.20
	TOTAL ==>			112.19	28.81	301.69	1720.91	28.81	1996.13
				141.00			1749.72		

* Note : Includes Bonus Shares in the ratio of 1:1 issued on 13.08.2010 (On 1,60,000/- Equity shares of ₹ 1/- each fully paid up)

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	₹ Lacs	₹ Lacs	As at 31-03-2011 ₹ Lacs	As at 31-03-2010 ₹ Lacs
SCHEDULE G				
CURRENT ASSETS, LOANS AND ADVANCES				
I) INVENTORIES				
(As Valued and certified by the Management)				
Raw Materials, Stores & Spares				
Raw Materials (including in transit)	1467.75			1351.17
Stores and Spares (including in Transit)	<u>593.56</u>			<u>616.70</u>
		2061.31		1967.87
Stock in Trade & Work in Progress				
Finished Goods	791.13			860.30
Goods in Process	165.78			27.68
Work in Progress	<u>30.44</u>			<u>14.85</u>
		987.35		902.83
Contract Work in Progress				
Work in Progress: Value of				
Work Done at Contract Rates				
i) At Laying Site	27786.86			31920.43
ii) At Factory	<u>2032.06</u>			<u>1900.12</u>
		29818.92		33820.55
Less : Progress Payments and Advances from contractees to the extent of value of work done	<u>52.44</u>			<u>69.51</u>
Net Work-in-progress	29766.48			33751.04
Works Retention				
Money retained by Contractees	<u>8901.72</u>			<u>6181.78</u>
		38668.20		39932.82
			41716.86	42803.52
II) SUNDRY DEBTORS : (UNSECURED)				
a) Considered good				
i) Over six months		853.38		921.15
ii) Others		<u>1233.58</u>		<u>853.79</u>
b) Considered Doubtful		2086.96		1774.94
Over six months		23.15		23.15
Less: Provision for doubtful debts		<u>23.15</u>		<u>23.15</u>
		-		-
			2086.96	1774.94
III) CASH AND BANK BALANCES				
Cash on Hand		15.50		14.89
Cheques on Hand		1860.27		1052.41
Balances with Scheduled Banks				
- On Current Accounts		889.89		984.18
- On Fixed Deposits		<u>1120.30</u>		<u>306.94</u>
			3885.96	2358.42



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	₹ Lacs	₹ Lacs	As at 31-03-2011 ₹ Lacs	As at 31-03-2010 ₹ Lacs
IV) OTHER CURRENT ASSETS				
Interest Receivable			22.08	23.24
V) LOANS AND ADVANCES				
Unsecured : (considered good, unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received		5650.43		5375.24
Advance Payment of Taxes	5857.64			3837.32
Less : Provision for Taxation	5312.23			3830.67
		545.41		6.65
Deposits with Excise Department		75.25		123.85
Security and Other Deposits		5934.63		3466.72
			12205.72	8972.46
TOTAL			59917.58	55932.58

SCHEDULE H

CURRENT LIABILITIES AND PROVISIONS

A) Current Liabilities

Sundry Creditors

(a) Total outstanding dues of micro enterprises & small enterprises

-

34.32

(b) Total outstanding dues of creditors other than micro enterprises & small enterprises

17555.43

19336.40

Investor Education and Protection Fund

(appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due)

a) Unpaid dividends

28.34

26.47

b) Unpaid matured deposits

16.37

10.49

44.71

36.96

Other Liabilities

5692.12

4646.59

Interest accrued but not due on loans

16.44

24.10

Current Account : Director's [Max Balance ₹ 0.44 Lacs previous year ₹ 0.49 Lacs.]

0.14

0.44

B) Provisions

23308.84

24078.81

i) Provision for Gratuity

224.62

-

ii) Provision for Leave Encashment

257.32

216.47

iii) Provision for Sick Leave

54.99

44.81

iv) Provision for Fringe Benefit Tax

135.50

135.50

Less: Advance Payment of

134.14

Fringe Benefit Tax

134.14

1.36

1.36

v) Proposed Dividend

484.47

484.47

Tax on Proposed Dividend

78.59

82.34

563.06

1101.35

829.45

TOTAL

1101.35

829.45

24410.19

24908.26

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	₹ Lacs	₹ Lacs	2010-11 ₹ Lacs	2009-10 ₹ Lacs
SCHEDULE I				
INCOME FROM OPERATIONS				
Sales		8179.85		8656.10
Less : Excise Duty		596.49		650.21
			7583.36	8005.89
Stock Change				
Closing Stock of Finished Goods		987.36		902.83
Opening Stock of Finished Goods		902.83		568.78
			84.53	334.05
Work Bills(Gross)				
		60929.38		50950.23
Add : Closing Stock of contract work-in-progress	29818.93			33820.54
Less : Opening Stock of contract work-in-progress	33820.54			25546.17
		(4001.61)		8274.37
			56927.77	59224.60
TOTAL			64595.66	67564.54

SCHEDULE J

OTHER OPERATING INCOME

Miscellaneous Income	115.22	79.26
Profit On Sale of Fixed Assets (Net)	2.33	4.90
Provisions no longer required	111.21	85.63
Interest on Tax Refund	-	2.28
TOTAL	228.76	172.07

SCHEDULE K

OTHER INCOME

Dividend	8.05	5.02
Interest on Tax Saving Bonds	-	1.13
Profit On Sale of Investments (Net)	2.40	30.60
Compensation on Aquisition of Land	47.79	-
TOTAL	58.24	36.75



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	₹ Lacs	₹ Lacs	2010-11 ₹ Lacs	2009-10 ₹ Lacs
SCHEDULE L				
CONSUMPTION OF RAW MATERIALS & STORES				
Raw Materials Consumed				
Opening Stock		1351.17		1137.27
Add : Purchases		11510.32		14046.02
			12861.49	15183.29
Less :				
Sales		108.75		113.18
Closing Stock		1467.75		1351.17
Sale of Scrap		76.95		49.22
			1653.45	1513.57
			11208.04	13669.72
Stores and Spares Consumed			847.88	804.51
TOTAL			12055.92	14474.23

SCHEDULE M

MANUFACTURING AND OTHER EXPENSES

Fabrication Charges			450.53	790.29
Lining and Outcoating Expenses			143.32	141.50
Power & Fuel			369.93	329.26
TOTAL			963.78	1261.05

SCHEDULE N

CONSTRUCTION EXPENSES

Subcontracting Expenses			28717.49	28564.61
Consumption of Boughtout Items				
Opening Stock		155.64		202.75
Add : Purchases		4645.96		5396.04
			4801.60	5598.79
Less :				
Sales		2.33		14.41
Closing Stock		120.26		155.64
			122.59	170.05
			4679.01	5428.74
Transport			1735.23	1701.20
TOTAL			35131.73	35694.55

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	₹ Lacs	2010-11 ₹ Lacs	2009-10 ₹ Lacs
SCHEDULE O			
EMPLOYEES' REMUNERATION AND WELFARE EXPENSES			
a) Salary, Wages, Bonus & Commission		3160.47	2949.70
b) Contribution to / Provision for Provident fund and Other Funds		528.00	289.31
c) Welfare Expenses		93.42	107.13
TOTAL		3781.89	3346.14

SCHEDULE P			
OFFICE AND SITE ESTABLISHMENT			
a) Printing and Stationery		64.07	64.96
b) Communication Expenses		87.79	89.80
c) Travelling and Conveyance		475.42	426.42
d) Rent	278.99		263.89
Less : Recovery	34.82		30.69
		244.17	233.20
e) Rates and Taxes (Including Wealth Tax ₹ 15.20 Lacs Previous Year ₹ 14.00 Lacs)		34.89	34.03
f) Insurance		213.32	211.40
g) Repairs			
Machinery	155.87		159.68
Buildings	33.94		67.75
Others	111.93		132.19
		301.74	359.62
h) Guarantee & Other Bank Charges		271.12	348.96
i) Legal and Professional Charges		149.88	189.60
j) Directors' Sitting Fees		4.60	4.50
k) Commission to Non Executive Directors		16.00	16.00
l) Auditors' Remuneration			
Audit fees	8.98		8.73
Other Capacity	4.80		4.80
Certification & Consultation	1.48		1.12
Tax Audit Fees	2.71		2.71
Out of Pocket Expenses	1.16		0.61
Cost Audit fees	0.90		0.90
Out of Pocket Expenses	0.34		0.08
		20.37	18.95
m) Freight		53.08	46.34
n) Bad Debts Written Off		143.89	3.67
o) Donations		54.76	60.00
p) Miscellaneous Expenses		411.58	354.15
TOTAL		2546.68	2461.60



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	₹ Lacs	2010-11 ₹ Lacs	2009-10 ₹ Lacs
SCHEDULE Q			
INTEREST			
i) On			
a) Term Loans	1426.82		1155.42
b) Non Convertible Secured Debentures	-		88.47
c) Fixed Deposits	38.53		70.86
d) Cash Credits & Others	320.91		461.75
	1786.26		1776.50
e) Less : Interest Received (Gross)	104.50		70.45
(Tax deducted at source ₹ 4.81 Lacs Previous year ₹ 7.19 Lacs)		1681.76	1706.05
ii) On			
Tax Provision and interest thereon for earlier years'		62.47	185.16
TOTAL		1744.23	1891.21

NOTES TO THE ACCOUNTS

SCHEDULE 'R'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES:

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") issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

2 Revenue Recognition

A. Work Bills

(I) Construction Contract Accounting & Contract-Work-in-Progress

- a. Sales/Work Bills (Gross) represent running Bills raised against Value of the Work done either to the extent certified and paid for by Contractees or on completed works as per (d) below:
- b. Advances against Work in Progress received from Contractees are presented as a reduction from the Contract Work in Progress.
- c. Retention Monies on uncompleted Contracts are presented as Contract-Work-in-Progress.
- d. Sundry Debtors include work bills and work retention receivable on completed contracts.

(II) Construction Contracts which commenced on or after 1st April, 1999

- a. Revenue arising therefrom is recognised in proportion to the stage of completion of work at the end of the accounting period in accordance with Accounting Standard-7 (revised): Accounting for Construction Contracts.
- b. 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.
- c. Contract-Work-in-Progress includes inventories against contracts at Factory, Laying Sites and Civil Works and represents the value of the work done not certified or not paid for by Contractees and are valued at Contract Price or at Proportionate Contract Price based on the equivalent stage of completion as estimated by Management inclusive of relevant excise duty.
- d. Provision is made for future losses and estimated costs of post-works maintenance and warranties as per contractual terms.

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 Knowhow.
- b. Revenue from such sales is recognised on despatches of goods from the factory.
- c. Sales are inclusive of excise duty.

3 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.

4 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.

5 Accounting for Joint Venture Contracts

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

6 Fixed Assets

- a. Fixed Assets are stated at cost including GENVAT wherever applicable, less depreciation and provision for impairment of losses, if any.
- b. Self constructed/manufactured assets are capitalised at cost including appropriate overheads.



NOTES TO THE ACCOUNTS

7 Depreciation

Depreciation on the assets has been provided on Written Down Value Method on pro-rata basis as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

8 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.

9 Research and Development

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

10 Investments

Long term investments are stated at cost less provision for decline in the value, other than of temporary nature. Current investments are valued at cost or market value whichever is lower.

11 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 profit and loss account for the year except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- c) Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year.

12 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. Work-in-Progress represents work done against Long Term Construction Contracts commenced before 1st April, 1999 and is valued at lower of cost or market value in case of inventories as per Accounting Standard 2 - Valuation of Inventories; application of this policy has been discontinued as detailed in Item 2 (A) of Significant Accounting Policies.
- e. Goods-in-process are valued at contract rates or cost whichever is lower.
- f. 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.

13 Employee Benefits

i) Defined Contribution Plan

Company's Contribution paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are charged to Profit & Loss Account. In case there is any shortfall in the fund assets based on Government specified minimum rate of return of Provident Fund in respect of CEPF which is managed by the company, the same is reimbursed and charged to the Profit & Loss A/c. There are no other obligations other than the contribution payable to the respective trusts.

ii) Defined Benefit Plan

- a. **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

NOTES TO THE ACCOUNTS

period until the amended benefits becomes vested. Actuarial gain and losses are recognised immediately in the statement of Profit & Loss Account as Income or Expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the 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.

- 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 (currently 12% of employees salary). The contributions as specified under law paid to provident fund and pension fund set up as irrecoverable 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.

- 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.

14 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.

15 Leases

Lease rentals in respect of assets acquired under operating lease are charged to Profit and Loss Account.

16 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.

17 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.

18 Contingencies and Provisions

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

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

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

Contingent assets are neither recognised nor disclosed.

II NOTES TO AND FORMING PART OF ACCOUNTS

	2010-11 ₹ Lacs	2009-10 ₹ Lacs
1 CONTINGENT LIABILITIES:		
a) Guarantees given by the Banks	13649.99	15483.74
b) Claims against the company not acknowledged as debts	120.59	121.03
c) Additional Sales Tax demand excluding ₹ 902.26 Lacs (Previous year ₹ 905.24 Lacs) recoverable from customers for the years 1980-81 to 2009-10 under appeal.	506.32	614.24



NOTES TO THE ACCOUNTS

	2010-11 ₹ Lacs	2009-10 ₹ Lacs
d) Demands raised by Excise department excluding interest, if any, leviable thereon.	1877.10	2063.67
e) Additional Service Tax demand excluding those recoverable from customers for the Year 2004-05 under appeal.	3488.18	2150.90
f) During the year the Company has received notice U/S 148 of Income Tax Act, 1961 for reopening of assessment for the year ended 31 st March 2004, in respect of its investments made in long term capital gains bonds. No demand of income tax has been received in this matter till date.		
2 Commitments for Capital Expenditure are estimated at	-	-
3 In respect of fraud at two factories reported in the last annual report following is the position in current year.		
a) Out of ₹ 17.39 Lacs, ₹ 15.05 Lacs has been recovered/ adjusted upto May 2010 and for balance amount legal action has been initiated.		
b) As reported in the last report the misappropriated amount involved is ₹ 44.82 Lacs. The proceedings of the Criminal case is in progress on regular basis in court and accused employee is still in judicial custody. For recovery of aforesaid amount, civil suit proceedings are also in progress.		
4 Managing Director's Remuneration		
i) Salary	52.50	46.50
ii) Contribution to Provident Fund	6.30	5.58
iii) Contribution to Superannuation Fund	7.88	6.97
iv) Perquisites & Allowances	37.96	33.47
v) Commission	116.83	173.28
Total	221.47	265.80
Statement of computation of net profit under Section 349 of Companies Act 1956 and the commission payable to the Managing Director for the year ending 31.03.2011.		
Profit after exceptional items as per Profit & Loss A/c	2796.95	2857.30
Add : Provision for Taxation	1438.56	1798.00
Depreciation	739.62	671.70
Directors Fees	4.60	4.50
Commission to Non Executive Directors	16.00	16.00
Managing Director's Remuneration	221.47	265.80
	5217.20	5613.30
Add / (Less):Income Tax Provision/(Refund) of Earlier Years	-	405.24
	5217.20	6018.54
Less : Revenue Surplus	2.33	4.90
Capital Profit	47.79	-
Profit on sale of Investments	0.50	30.91
	5166.58	5982.73
Add : Revenue Profit on sale of assets as computed U/s 350 of Companies Act, 1956.	2.33	4.90
Loss on sale of Investment	0.01	-
	5168.92	5987.63
Less : Depreciation U/s 350	739.62	671.70
Profit U/s 349 & 350	4429.30	5315.93
Remuneration Payable U/s 198 @5%	221.47	265.80
Remuneration already paid	104.64	92.52
Balance amount payable	116.83	173.28

NOTES TO THE ACCOUNTS

	2010-11 ₹ Lacs		2009-10 ₹ Lacs	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
5 Employee Benefits:				
Defined Benefit Plans/Long Term compensated absences - As per Actuarial valuation as on 31.03.2011.				
I Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March, 2011.				
1 Current Service Cost	42.98	69.16	37.26	54.07
2 Interest Cost	62.90	5.72	56.74	7.96
3 Employee Contributions	-	-	-	-
4 Expected return on plan assets	(70.40)	-	(64.93)	-
5 Actuarial (Gains)/Losses	19.28	22.70	20.67	(65.04)
6 Past Service Cost	-	-	-	-
7 Settlement Cost	-	-	-	-
Total Expenses	54.76	97.58	49.74	(3.01)
II Net Assets / (Liability) recognised in the balance sheet as at 31.03.2011.				
1 Present Value of Defined Benefit Obligation	960.53	93.29	709.33	131.21
2 Fair Value of Plan Assets	742.63	-	748.88	-
3 Funded Status [Surplus/(Deficit)]	(217.90)	(147.76)	(37.32)	(93.29)
4 Net Asset/(Liability)	(217.90)	(147.76)	(37.32)	(93.29)
III Change in Obligation during the year ended March 31, 2011.				
1 Present value of Defined Benefit Obligation at the beginning of year	786.20	93.28	709.35	131.21
2 Current Service Cost	42.98	69.16	37.25	54.07
3 Interest Cost	62.90	5.72	56.74	7.96
4 Settlement Cost	-	-	-	-
5 Past Service Cost	-	-	-	-
6 Employee Contributions	-	-	-	-
7 Actuarial (Gains) / Losses	192.81	22.70	20.68	(65.04)
8 Benefits Payment	(124.36)	(43.41)	(37.82)	(34.91)
9 Present value of Defined Benefit Obligation at the end of year	960.53	147.45	786.20	93.29
IV Change in Assets during the year ended March 31, 2011.				
1 Plan Assets at beginning of the year	748.88	-	680.63	-
2 Settlements	-	-	-	-
3 Expected return on Plan Assets	70.40	-	64.93	-
4 Contribution by Employers	47.71	43.41	41.14	(34.91)
5 Actual benefits paid	(124.36)	(43.41)	(37.82)	(34.91)
6 Actuarial Gains/(Losses)	-	-	-	-
7 Plan Assets at end of the year	742.63	-	748.88	-
8 Actual return on plan assets	-	-	-	-
V Actuarial Assumptions				
1 Discount Rate	8.00%	8.00%	8.00%	7.00%
2 Expected Rate of Return on plan assets	9.00%	N.A.	9.00%	N.A.
3 Mortality Pre-retirement	(1994-96) LIC Std	(1994-96) LIC Ult	(1994-96) LIC Std	(1994-96) LIC Ult
4 Mortality Post-retirement	N.A.	N.A.	N.A.	N.A.
5 Turnover Rate	N.A.	1.00%	N.A.	0.50%
6 Medical Premium Inflation	N.A.	N.A.	N.A.	N.A.



NOTES TO THE ACCOUNTS

Accumulated compensated absences (non vesting)

Actuarial valuation of sick leave has been made on 31-03-2011. Provision in respect of this benefit amounts to ₹ 10.18 Lacs for the financial year ending 31-03-2011. (Previous year ₹ Nil)

- 6 Expenses on Research & Development during the year included under various heads, amounts to ₹ 203.55 Lacs (Previous year ₹ 196.49 Lacs).
- 7 Confirmations have not been received from some of the Debtors, Creditors and Depositors.
- 8 The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act 2006, as at 31st March, 2011. The disclosure pursuant to the said Act is as under:

	2010-11 ₹ Lacs	2009-10 ₹ Lacs
Principal amount due to suppliers under MSMED Act	Nil	34.32
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.

- 9 Details of Deferred Tax Assets/Liabilities:

	2010-11 ₹ Lacs	2009-10 ₹ Lacs
Deferred Tax Liabilities:		
Difference in block of fixed assets	124.16	145.88
	124.16	145.88
Deferred Tax Assets:		
Fiscal Disallowances and others	235.45	213.00
Provision for doubtful debts	7.51	8.68
	242.96	221.68
Closing Balance [(Assets) / Liability]	(118.80)	(75.80)

- 10 Additional information required under Schedule VI to the Companies Act, 1956 (as certified by the Managing Director).

A Licensed/Installed Capacities

		Licensed		Installed (Annual)	
		2010-11	2009-10	2010-11	2009-10
1 Construction Division					
i) Concrete Pipes	MT	N.A.	N.A.	433699	447709
ii) Steel Pipes, Specials & Structures	MT	N.A.	N.A.	277696	277696
2 Others					
i) Sleepers	MT	N.A.	N.A.	57660	57660
ii) Air Rifle Division					
a. CO2 Cadet Rifles, Guns & Pistols	Nos	N.A.	N.A.	10000	10000
b. Air Rifles, Air Guns & Pistols	Nos	N.A.	N.A.	12000	12000

B Production, Opening & Closing Stock

		Production		Opening Stock		Closing Stock	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1 Construction Division							
i) Concrete Pipes	MT	208880	221908	20587	18824	20998	20587
ii) Steel Pipes, Specials & Structures	MT	45443	79856	4824	5401	4545	4824
2 Others							
i) Sleepers	MT	39334	39378	10489	2502	8672	10489
ii) Air Rifle	Nos	7583	7304	138	211	138	138

NOTES TO THE ACCOUNTS

C Work Bills/Sales Turnover showing aggregate amount of sales effected by the Company giving the amount of sales in respect of each class of goods dealt with and against services rendered.

	2010-11		2009-10	
	Qty.	₹ Lacs	Qty.	₹ Lacs
1 Construction Division				
i) Construction contracts including water supply schemes, Pipes supply & laying projects. MT	254191	66098.13	300578	57205.62
ii) Jobs	–	109.46	–	7.61
2 Others				
i) Sleepers MT	41151	2110.69	31391	1576.30
ii) Air Rifles & Pistols Nos	7583	176.53	7377	166.59
3 Export of Goods	–	17.93	–	–
		68512.74		58956.12
D Consumption				
1 Construction Division				
i) Sand & Metal MT	183853	986.70	220207	1078.80
ii) Cement MT	54190	2034.17	65878	2513.49
iii) Wire & Rods & HT Wire MT	7000	2934.41	8672	3282.60
iv) Steel Plates & Sheets*				
a) Company's own plates MT	15071	3112.96	14612	4966.77
b) Plates supplied by Parties MT	–	–	–	–
(*Valued at agreed rates)				
v) Other Raw Materials & Components	–	609.96	–	377.84
2 Sleepers				
i) Sand & Metal MT	31340	159.12	32126	167.00
ii) Cement MT	7368	362.01	7427	383.45
iii) Wire & Rods & HT Wire MT	1303	513.83	1318	496.09
iv) Other Raw Materials	–	431.02	–	352.97
3 Air Rifle Division				
i) Wood CFT	2283	15.91	2101	13.81
ii) Seamless Steel Tubes MTR	3435	5.87	3439	6.03
iii) Other Raw Materials	–	42.08	–	30.87
		11208.04		13669.72
E Value of Import on C I F Basis				
Raw Materials		299.01		170.10
Stores & Spares		–		–
Capital Goods		–		–
F Expenditure in foreign currencies				
Travelling & Other expenses		1.42		4.94
G Earnings in Foreign Currencies				
Export of goods calculated on F O B Basis		17.93		–
H Value of Raw Materials Consumed				
	₹ Lacs	%	₹ Lacs	%
Indigenous	10937.81	97.59	13513.00	99.99
Imported	270.23	2.41	156.72	0.01
	11208.04	100.00	13669.72	100.00
I Value of Stores & Spares Consumed				
Indigenous	847.88	100.00	804.51	100.00
Imported	–	–	–	–
	847.88	100.00	804.51	100.00



NOTES TO THE ACCOUNTS

11. During the year ended 31.03.2011, the Company acquired and sold the following investments in Mutual Funds.

MUTUAL FUNDS - SHORT TERM PLANS		Face Value Each ₹	No. of Units	Purchase Cost ₹ Lacs
1	HDFC Cash Management Treasury Advantage Plan	10.03	47895825.43	4804.67
2	SBILUltra Short Term Retail Plan	10.07	2511.412	0.26

12. Earnings Per Share (EPS)

		31.03.11	31.03.10
Number of shares		24223585	24223585
Profit after Tax before prior years' Adjustment	₹ Lacs	2796.95	3262.54
EPS - Basic & Diluted	₹	11.55	13.47
Profit after Tax after prior years' Adjustment	₹ Lacs	2796.95	2857.30
EPS - Basic & Diluted	₹	11.55	11.80

13 Segment Reporting

Segment Information for the year ended 31st March, 2011.

Information about Primary Segment

(₹ Lacs)

	Construction contracts including water supply schemes, pipes supply & laying projects.		Others		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
REVENUE						
External Revenue	62348.32	65447.99	2247.34	2116.57	64595.66	67564.56
RESULTS						
Segment results	8597.08	9361.51	279.09	283.77	8876.17	9645.28
Unallocated Expenditure net of unallocated income					(2909.21)	(2737.46)
Operating Profit					5966.96	6907.82
Interest Expenses					(1744.23)	(1891.21)
Interest/dividend income net of loss on sale of investment					8.05	8.43
Profit on sale of Fixed Assets & Investments					4.73	35.50
Taxation for the year (including deferred tax/provision for taxation- earlier years)					(1438.56)	(1798.00)
Income Tax Refund for earlier year					-	(405.24)
Net Profit					2796.95	2857.30
OTHER INFORMATION						
Segment Assets	62282.06	59580.81	1289.01	1280.43	63571.07	60861.24
Unallocated Corporate Assets					3826.41	3425.63
TOTAL ASSETS					67397.48	64286.87
Segment Liabilities	25236.64	25698.14	153.19	474.10	25389.83	26172.24
Unallocated Corporate Liabilities					20991.92	19332.79
TOTAL LIABILITIES					46381.75	45505.03
Capital Expenditure						
For Segment	862.21	1480.85	24.58	18.10	886.79	1498.95
For Corporate					564.02	44.16
Total Capital Expenditure					1450.81	1543.11
Depreciation - Segment						
For Segment	625.81	551.18	12.56	11.13	638.37	562.31
For Corporate					101.25	109.41
Total Depreciation					739.62	671.72

NOTES TO THE ACCOUNTS

NOTES:

1 BUSINESS SEGMENTS

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

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

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

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

2 There are no inter segment sales.

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

14 Related party disclosures, as required by AS 18

A. Names of Related Parties & Nature of Relationship

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

B. Nature of Transactions

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

						(₹ Lacs)
Sr No.	Transactions	Ultimate Holding Company	Promoter Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Other Related Party
1	Dividend Paid	8.72 (7.41)	319.34 (271.44)	4.09 (3.60)	6.59 (5.47)	- (-)
2	Rent and Other Related Expenses	- (-)	117.65 (106.88)	- (-)	- (-)	- (-)
3	Sitting Fees	- (-)	- (-)	- (-)	0.40 (0.40)	- (-)
4	Commission to Non Executive Directors	- (-)	- (-)	- (-)	2.29 (2.29)	- (-)
5	Salary & Perquisites	- (-)	- (-)	- (-)	11.17 (10.81)	- (-)
6	Remuneration	- (-)	- (-)	221.47 (265.80)	- (-)	- (-)
7	Amount outstanding payable as on 31.03.11	- (-)	1.68 (0.59)	0.14 (0.44)	0.01 (-)	- (-)
8	Donation					50.00 (50.00)

(Last year's figures are shown in brackets)



NOTES TO THE ACCOUNTS

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

I M/s.Koya & Company Construction Pvt. Ltd.,(JV), Hyderabad

Augmentation & Water Supply to Hyderabad Metropolitan area from River Krishna through SLB (Madhava Reddy Canal) for the PACKAGE-1, Manufacturing, supplying, lowering, testing and commissioning of 2200 diameter MS Pumping Main with in lining and out-coating with Cement Mortar from WTP at Kodandpur to the Clear Water Reservoir at Nasaralappally.

The co-ventures and their shares are as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Koya & Company Construction Pvt. Ltd.	2475.09	28.00%	2475.09	28.00%
The Indian Hume Pipe Co.Ltd.	2121.52	24.00%	2121.52	24.00%
Bhoorathnam & Co.	2121.52	24.00%	2121.52	24.00%
Tahir Ali Industries & Projects (P) Ltd.	2121.52	24.00%	2121.52	24.00%
	8839.65	100.00%	8839.65	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

II M/s.Bhoorathnam Construction Co. (P) Ltd.

Augmentation & Water Supply to Hyderabad Metropolitan area from River Krishna through SLB (Madhava Reddy Canal) for PACKAGE-II, Manufacturing, supplying, lowering, testing and commissioning of 2200mm diameter MS Pumping Main with in-lining and out-coating with Cement Mortar from Clear Water Reservoir at Godakondla along Nagarjunasagar - Hyderabad Road from Km 82/2 to Km 59/6.

The co-ventures and their shares are as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Koya & Company Construction Pvt. Ltd.	1432.21	24.00%	1432.21	24.00%
The Indian Hume Pipe Co.Ltd.	1432.21	24.00%	1432.21	24.00%
Bhoorathnam Construction Co. (P) Ltd	1670.91	28.00%	1670.91	28.00%
Tahir Ali Industries & Projects (P) Ltd.	1432.21	24.00%	1432.21	24.00%
	5967.54	100.00%	5967.54	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

NOTES TO THE ACCOUNTS

III M/s. The Indian Hume Pipe Co. Ltd.

Combined water supply scheme to Bellampally and Mandamarry under HUDCO Phase-III consisting of (1) Construction of 9.00 m dia intake well cum pump house 1 No (2) 600mm dia D.I.D/F Connecting main (3) 6 Nos. of 3.00 M dia infiltration wells (4) 600mm dia RCC NP3 class pipes infiltration gallery 250m long (5) Providing 500mm dia PSC field test pressure of 10 KSC main for common sump at Municipal office (6) Providing 500mm dia PSC field test pressure of 12 KSC pumping main from common sump at Municipal office Mandamarry to Junction Point in Bellampally (Package I)

Name of the Co-Venturers

Share in Work execution

	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	205.26	52.13%	205.26	52.13%
Pochampad Cement Pipe Construction Co.	188.50	47.87%	188.50	47.87%
	393.76	100.00%	393.76	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share

Bank Guarantees (included in II -1- a)

Share in the contingent liabilities of co-ventures

Capital Commitments

Share in the Capital commitment of co-ventures

31.03.11
₹ Lacs

31.03.10
₹ Lacs

Nil

Nil

Nil

Nil

Nil

Nil

Nil

Nil

IV M/s. The Indian Hume Pipe Co. Ltd. (JV with M/s.Bhoorathnam Construction Co. (P) Ltd.)

Manufacturing, supply, laying, jointing, testing and commissioning of 1200mm dia MS Pipeline from Hafeez Baba Nagar, Chandrayangutta to Jahanuma Reservoir Premises - Package I

The co-venturers and their shares as follows:

Name of the Co-Venturers

Share in Work execution

	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	426.35	55.00%	426.35	55.00%
Bhoorathnam Construction Co. (P) Ltd	348.84	45.00%	348.84	45.00%
	775.19	100.00%	775.19	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share

Bank Guarantees (included in II -1- a)

Share in the contingent liabilities of co-ventures

Capital Commitments

Share in the Capital commitment of co-ventures

31.03.11
₹ Lacs

31.03.10
₹ Lacs

Nil

Nil

Nil

Nil

Nil

Nil

Nil

Nil



NOTES TO THE ACCOUNTS

V M/s.KCCPL-IHP-BRC-TAIPPL-KBL

Construction of Pump House, Hydro Mechanical Works and Electro Mechanical works of Guthpa Lift Irrigation Scheme, to Lift 540 cusecs of water from river Godavari at Umeda (V), Nandipet (M) and to deliver into Nizam Sagar Project Main Canal and D/74 on EPC Turnkey Basis System.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Koya & Company Construction (P) Ltd	2707.60	18.57%	2707.60	18.57%
The Indian Hume Pipe Co.Ltd.	2707.60	18.57%	2707.60	18.57%
Bhoorathnam Construction Co. (P) Ltd	2707.60	18.57%	2707.60	18.57%
Taher Ali Industries & Projects (P) Ltd	2707.60	18.57%	2707.60	18.57%
Kirloskar Brothers Ltd.	3750.00	25.72%	3750.00	25.72%
	14580.40	100.00%	14580.40	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	272.37	272.37
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

VI M/s.Nagarjuna Construction Co. Ltd.(JV) Hyderabad

Design, Supply, Installation, Testing & Commissioning of pumping machinery, transformer sub-station raising mains including construction of pump house and delivery cistern etc. of Tadipudi Lift Irrigation Scheme 2nd Pump House at KM 26.25 of A G R B Near Tadipudi (V) of Tadipudi (M) West Godavari District.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Nagarjuna Construction Co. Ltd.	1581.06	51.32%	1232.42	40.00%
Mather & Platt Pumps Ltd	–	–	308.10	10.00%
SMC Infrastructure Pvt. Ltd.	–	–	770.27	25.00%
The Indian Hume Pipe Co.Ltd.	1500.00	48.68%	770.27	25.00%
	3081.06	100.00%	3081.06	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

NOTES TO THE ACCOUNTS

VII M/s. The Indian Hume Pipe Co. Ltd.

Construction and commissioning on turnkey basis including one year maintenance of Soganur Lift Irrigation M I Scheme on right bank of Tungabhadra river with 2 stage pumping including construction of storage tank near Chinnakohiliki (V) Yemmiganur (M) Kurnool District.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	1535.24	100.00%	1197.49	78.00%
Kirloskar Brothers Ltd	–	–	307.05	20.00%
Megha Engineering Enterprises	–	–	30.70	2.00%
	1535.24	100.00%	1535.24	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	35.28	35.28
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

VIII M/s. The Indian Hume Pipe Co. Ltd.

Construction and commissioning on turnkey basis including one year maintenance of Pulchintha Lift Irrigation M I Scheme on right bank of Tungabhadra river with 2 stage pumping including construction of storage tank near Pulchintha (V) Nandavaram (M) Kurnool District.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	1221.49	100.00%	879.47	72.00%
Kirloskar Brothers Ltd	–	–	305.37	25.00%
Megha Engineering Enterprises	–	–	36.65	3.00%
	1221.49	100.00%	1221.49	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	27.89	27.89
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil



NOTES TO THE ACCOUNTS

IX M/s.TAIPPL-IHP-KCCPL-BRCPL (JV)

Krishna Drinking Water Supply Project Phase II - Manufacturing, Supplying, Delivering, lowering, laying, jointing, testing and commissioning of 2375mm dia MS pumping main with cement mortar factory inlining and out-coating from CWR at Nasarlappally to CWR at Goddkondla (along Nagarjunasagar-Hyderabad road from 82/2 Km to 59/6 Km including manning and operation for a period of 24 months (Package II).

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Taher Ali Industries & Projects (P) Ltd.	6335.00	51.25%	3461.00	28.00%
The Indian Hume Pipe Co.Ltd.	2158.00	17.46%	2967.00	24.00%
Koya and Construction Pvt. Ltd.	1934.00	15.64%	2967.00	24.00%
Bhoorathnam Construction Pvt. Ltd.	1935.00	15.65%	2967.00	24.00%
	12362.00	100.00%	12362.00	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

X M/s.IHP-KCCPL-BRCPL-TAIPPL (JV)

Manufacturing, Supplying, delivering, lowering, laying, jointing, testing and commissioning of 2200mm dia MS Gravity main with cement mortar factory inlining and out-coating from MBT at Gungal to TBR at Saheb Nagar (along Nagarjunasagar-Hyderabad road from Km 40/2 to 10/2 Km including manning and operation for a period of 24 months (Package IV).

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	6500.00	42.49%	4284.00	28.00%
Koya and Construction Pvt. Ltd.	4399.00	28.76%	3671.00	24.00%
Bhoorathnam Construction Pvt. Ltd.	4398.00	28.75%	3671.00	24.00%
Taher Ali Industries & Projects (P) Ltd.	—	—	3671.00	24.00%
	15297.00	100.00%	15297.00	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

NOTES TO THE ACCOUNTS

XI M/s.Shradha IHP Joint Venture

Padmalaya Lift Irrigation Scheme: Designing, planning, construction of Dam at Padmalaya-II, Taluka Erandol, Dist. Jalgaon alongwith or appurtenant works & designing, planning and construction of intake well, connecting pipeline, jackwell pumphouse, sumpwell, manufacturing and installation of pumping machinery, necessary electrical accessories, electrical service station including rising main and commissioning it for shree Padmalaya Sinchan Yojana of Taluka Erandole, Dist. Jalgaon on Turnkey basis.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Shradha Construction & Power Generation Pvt. Ltd.	4840.80	80.00%	4840.80	80.00%
The Indian Hume Pipe Co.Ltd.	1210.20	20.00%	1210.20	20.00%
	6051.00	100.00%	6051.00	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

XII M/s.Shradha IHP Joint Ventures

Construction of Wangana Lift Irrigation Schemes on Dhom Left Bank Canal in KM No.53 Village Peth Kinhai, Taluka Koregaon, Dist. Satara under Krishna Project Stage II on Turnkey basis including Surveying, Designing, Construction of Pump house, rising mains, gravity mains, delivery chambers, distribution systems providing, erecting and commissioning pumping machinery including all civil, mechanical and electrical works and running and maintenance of scheme for Maharashtra Krishna Valley Development Corporation.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Shradha Construction & Power Generation Pvt. Ltd.	4170.00	70.00%	4170.00	70.00%
The Indian Hume Pipe Co.Ltd.	1787.14	30.00%	1787.14	30.00%
	5957.14	100.00%	5957.14	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil



NOTES TO THE ACCOUNTS

XIII M/s.BRCPL IHP Vishwa Joint Ventures

Manufacturing, supply, lowering, laying, jointing, testing and commissioning of Duplicate South intercepting Sewer Main (Dup-Sis) with 2000 mm dia RCC NP4 class pipes using sulphate resistance, cement from Saroornagar Nalah I & D site to proposed STP at Nagole along river Musi (Dup SIS Main-Package 3)

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Bhoorathnam Construction Pvt. Ltd.	804.18	34.00%	804.18	34.00%
The Indian Hume Pipe Co.Ltd.	780.54	33.00%	780.54	33.00%
Vishva Infrastructures & Services Pvt.Ltd.	780.54	33.00%	780.54	33.00%
	2365.26	100.00%	2365.26	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	20.00	20.00
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

XIV M/s.IHP BRCPL Vishwa (JV)

Manufacturing, supply, lowering, laying, jointing, testing and commissioning of Duplicate South intercepting Sewer Main (Dup-SIS) with 1800 mm dia RCC NP4 class pipes using sulphate resistant cement from Chaderghat bridge to Saroornagar Nalah I & D site along river Musi (Dup SIS Main-Package 2)

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	394.26	34.00%	394.26	34.00%
Bhoorathnam Construction Pvt. Ltd.	382.66	33.00%	382.66	33.00%
Vishva Infrastructures & Services Pvt.Ltd.	382.66	33.00%	382.66	33.00%
	1159.58	100.00%	1159.58	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	Nil	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

NOTES TO THE ACCOUNTS

XV M/s. The Indian Hume Pipe Co. Ltd.

Manufacturing, supply, lowering, laying, jointing, testing and commissioning of 900mm dia Mild Steel Pumping Main with inlining and out-coating with cement mortar from Town Service Reservoir to Kommadi Junction under Greater Vishakhapatnam Water Supply Improvement Scheme.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	2119.81	100.00%	1102.30	52.00%
Vishwa Infrastructures & Services Pvt. Ltd.	–	–	1017.51	48.00%
	2119.81	100.00%	2119.81	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	30.00	30.00
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

XVI M/s. The Indian Hume Pipe Co. Ltd., JV with Ch.V.V.Subba Rao

Augmentation of drinking water supply to Gajuwaka Area in Vishakhapatnam under submission on Urban Infrastructure and Governance under Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	3356.62	100.00%	3222.36	96.00%
Ch.V.V.Subba Rao	–	–	134.26	4.00%
	3356.62	100.00%	3356.62	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Bank Guarantees (included in II -1- a)	84.00	84.00
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil



NOTES TO THE ACCOUNTS

XVII NCC-MEIL-IHP (JV)

Construction of Jack well, providing MS Raw Water conduit to earthen bund of Dharmasagar Reservoir by Tunnelling and Jacking, MS/ NBWSC Raw Water Gravity Mains, DI/BWSC Pumping Mains and Railway Crossing arrangements, Additional off take arrangements on Kaktiya Canal, Raw Water Pump House and Clear Water Pump House alongwith Pump sets, Water Treatment Plants at three locations, Raw Water Sumps and Clear Water Sumps, RCC ELSR's and DI & HDPE distribution lines in Warangal Municipal Corporation.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
Nagarjuna Construction Co. Ltd.	9270.06	50.00%	9270.06	50.00%
Megha Engineering & Infrastructure Ltd.	6489.04	35.00%	6489.04	35.00%
The Indian Hume Pipe Co.Ltd.	2781.02	15.00%	2781.02	15.00%
	18540.12	100.00%	18540.12	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	70.00	70.00
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

XVIII IHP-Vishva-MCC (JV)

Rehabilitation, strengthening and improvement of Sewerage System in old city area on South of Musi in S11 catchment Zone II by laying mains, sub-mains, laterals and transfer of house service connections including manufacturing, supply of 150mm/200mm/300mm dia SWG pipes and 50mm/400mm/450mm/500mm/600mm/700mm/800mm/900mm/ 1100mm/ 1200mm/1400mm dia RCC NP3 pipes with SR cement including lowering, laying, jointing, testing and commissioning of sewers or turnkey bails under JNNURM Package II.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	6063.58	50.50%	5763.25	48.00%
Vishva Infrastructures & Services Pvt. Ltd.	5943.18	49.50%	5643.18	47.00%
Modern Construction	—	—	600.33	5.00%
	12006.76	100.00%	12006.76	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	150.08	150.08
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

NOTES TO THE ACCOUNTS

XIX IHP-MEIL-KCCPL-BRCPL-TAIPPL (JV)

Manufacturing, supplying, lowering, laying, jointing, testing and commissioning of 2200mm dia MS Pumping Main with cement mortar factory inlining and out-coating and other appurtenances from proposed intake well near Old Madhavaram on foreshore of Somasila Reservoir to the proposed sump at Kanumalonipalli (On Kadappa-Rajampet Highway) including Manning & Operation for a period of 24 months (defect liability period) - Package I.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	7486.84	28.00%	7486.84	28.00%
Megha Engineering & Infrastructures Ltd	7219.45	27.00%	7219.45	27.00%
Koya & Construction Co. Pvt. Ltd.	4010.81	15.00%	4010.81	15.00%
Bhoorathnam Construction Pvt. Ltd.	4010.81	15.00%	4010.81	15.00%
Taher Ali Industries Projects (P) Ltd.	4010.80	15.00%	4010.80	15.00%
	26738.71	100.00%	26738.71	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	187.18	187.18
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

XX IHP-FPL (JV)

Survey, Investigation, Designs, Drawings, Estimation, Construction and commissioning on Turnkey basis including maintenance for 15 years (including 2 years liability period) of Pulikanuma LI Scheme on right bank of Tungabhadra river near Satanur (V)Kosigi (M) in Kurnool district with two stage pumping consisting of (a) construction of Approach Channel (b)Jack-well cum Pump house including Manufacture, supply, erection of pumps, motors, panels, soft Starters, capacitors, E.O.T & H.O.T Cranes and all other Electrical Equipment (c)33/11 KV Sub Stations (d)H T Power Lines (e) Pressure Mains (f) Cisterns (g)Reservoir /Storage tank of capacity 1.232 TMC including Head Regulator and Surplus arrangements (h)Approach and Link Canal to join the T.B.PL.L.C main canal @KM 270.00etc. Complete.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31.03.11		31.03.10	
	Amount ₹ Lacs	%	Amount ₹ Lacs	%
The Indian Hume Pipe Co.Ltd.	26309.00	100.00%	22626.53	86.00%
Flow More Pump Ltd.	—	—	3683.39	14.00%
	26309.00	100.00%	26309.92	100.00%

The disclosures as required under AS-27 are as follows:

	31.03.11 ₹ Lacs	31.03.10 ₹ Lacs
Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in II -1- a)	657.75	657.75
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil



NOTES TO THE ACCOUNTS

- 16** Current Liabilities include ₹ 1.99 Lacs towards unclaimed amounts 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.
- 17** Figures for Previous Year have been regrouped, wherever necessary.

Signatures to Schedules A to R

As per our Report of even date
For K. S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai:24th May, 2011

RAJAS R. DOSHI

AJIT GULABCHAND

JYOTI R. DOSHI

RAJENDRA M. GANDHI

N. BALAKRISHNAN

VIJAY KUMAR JATIA

P D KELKAR

Chairman & Managing Director

}
Directors

S M MANDKE

Company Secretary

Mumbai:24th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 0 0 1 2 5 5

State Code 1 1

Balance Sheet Date

3 1

Date

0 3

Month

2 0 1 1

Year

II. Capital Raised during the year (₹ Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (₹ Thousands)

Total Liabilities

6 7 3 9 7 4 8

Total Assets

6 7 3 9 7 4 8

Sources of Funds

Paid-up Capital

4 8 4 4 7

Reserves & Surplus

2 0 5 3 1 2 6

Secured Loans

1 0 7 2 2 3 3

Unsecured Loans

1 1 2 4 9 2 3

Application of Funds

Net Fixed Assets

7 2 2 0 1 0

Investments

1 4 1 0 0

Net Current Assets

3 5 5 0 7 3 9

Misc. Expenditure

N I L

Accumulated Losses

N I L

Deferred Tax Assets (Net)

1 1 8 8 0

IV. Performance of the Company (₹ Thousands)

Turnover

6 4 5 9 5 6 6

Other Income

2 8 7 0 0

Total Expenditure

6 0 6 4 7 1 5

Profit/(Loss) Before Tax

4 2 3 5 5 1

Profit/(Loss) After Tax

2 7 9 6 9 5

Earning per share in ₹

1 1 . 5 5

Dividend Rate %

1 0 0

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code) 6 8 1 0 . 9 9 . 9 0

Product Description C O N C R E T E P I P E S S L E E P E R S

Item Code No. (ITC Code) 7 3 0 5 . 9 0 . 1 0

Product Description S T E E L P I P E S

Item Code No. (ITC Code) 9 3 0 4 . 0 0 . 0 0

Product Description A I R R I F L E S



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-11 (₹ Lacs)	2009-10 (₹ Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax and Extraordinary Items	4235.51	5060.54
Adjustments for :		
Rent against fixed assets & Lease Rentals	0.02	0.02
Depreciation	739.62	671.70
Interest Expenses	1786.26	1776.50
Bad Debts Written off	143.89	3.67
Interest Income	(104.50)	(73.86)
Dividend Income	(8.05)	(5.02)
Profit on sale of fixed assets/Investments	(52.52)	(35.50)
Operating profit before working capital changes	I 6740.23	7398.05
Adjustments for:		
Trade and Other Receivables	(3150.40)	189.00
Inventories	1086.66	(11016.13)
Trade and other Payables	(486.66)	9080.48
	II (2550.40)	(1746.65)
Cash Generated from Operations	(I+II) 4189.83	5651.40
Direct Taxes Paid	(2097.85)	(2014.97)
Net Cash from Operating Activities	[A] 2091.98	3636.43
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1450.81)	(1543.11)
Sale of Fixed Assets	69.95	19.50
Sale of Investment	6446.05	2640.40
Purchase of Investments	(4834.93)	(4107.40)
Interest Received	100.85	190.41
Dividend Received	8.05	5.02
Net Cash flow from Investing Activities	[B] 339.16	(2795.18)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings	4754.82	12948.29
Repayment of Borrowings	(3380.03)	(11216.25)
Dividends Paid	(484.47)	(411.80)
Interest Paid	(1793.92)	(1779.81)
Net Cash used in Financing Activities	[C] (903.60)	(459.57)
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	1527.54	381.68
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	2358.42	1976.74
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	3885.96	2358.42
	1527.54	381.68

As per our Report of even date
For K. S. AIYAR & CO.
Chartered Accountants
Registration No. 100186W

RAGHUVIR M. AIYAR
Partner
(M No-38128)

Mumbai:24th May, 2011

RAJAS R. DOSHI
AJIT GULABCHAND
JYOTI R. DOSHI
RAJENDRA M. GANDHI
N. BALAKRISHNAN
VIJAY KUMAR JATIA
P D KELKAR

Chairman & Managing Director

Directors

S M MANDKE

Company Secretary

Mumbai:24th May, 2011

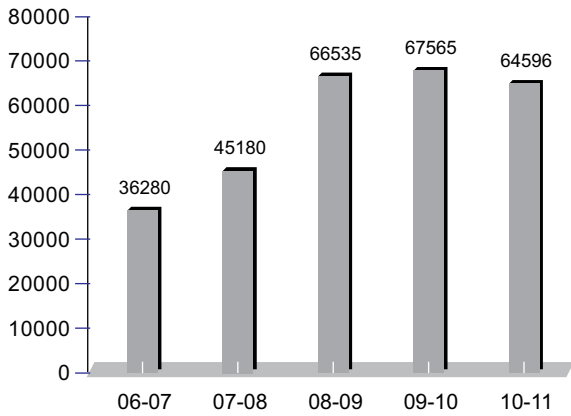
IMPORTANT FINANCIAL STATISTICS

Year	Paid up Capital				Debtures	Fixed Assets			Income from Operations	Net Profit	Dividend Paid on Preference & Equity Shares	Dividend on Equity Shares
	Equity Capital	Preference Capital	Reserves & Surplus	Net Worth		Gross Block	Net Block	No of Factories / Projects				
	₹ 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
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	39.51	18.00
84-85	225.05	50.00	830.58	905.63	200.00	1340.53	509.86	51	2474.28	163.31	43.01	18.00 Bonus 1:2
85-86	225.05	50.00	803.94	1078.99	200.00	1510.97	533.76	49	2755.29	221.18	49.76	18.00 +3% (Diamond Jubilee Dividend)
86-87	225.05	50.00	856.10	1081.16	300.00	1666.49	502.27	49	2938.04	100.05	41.13	18.00
(Upto 30-9-86)												
87-88	225.05	-	954.25	1179.30	300.00	1688.52	510.15	48	3596.27	138.86	40.51	18.00
88-89	225.05	-	1102.53	1327.59	300.00	1767.64	634.39	50	3328.10	103.18	33.76	15.00 (For 9 months period)
89-90	337.58	-	1050.89	1388.47	492.50	1893.35	664.92	51	5542.73	107.56	50.64	15.00 Bonus 1:2
90-91	337.58	-	986.81	1324.38	500.00	2050.47	930.84	50	4506.00	-176.50	50.64	15.00
91-92	337.58	-	991.84	1329.41	409.00	2089.03	901.37	48	8209.35	58.74	50.64	15.00 (For 18 months period)
92-93	337.58	-	1086.34	1423.92	409.00	2122.21	892.55	47	4503.52	123.15	25.32	15.00 (For 6 months period)
93-94	387.58	-	1177.08	1564.66	286.33	2278.75	958.67	48	7651.09	160.06	65.26	18.00
94-95	387.58	-	1445.15	1832.73	200.00	2452.32	1035.55	47	8805.39	310.56	77.52	20.00
95-96	387.58	-	2214.26	2601.84	150.00	2464.23	968.85	46	7397.47	866.00	96.89	20.00 +5% (Seventieth Anniversary Dividend)
96-97	387.58	-	2422.23	2809.81	100.00	2443.29	946.31	43	7397.00	293.24	77.52	20.00
97-98	387.58	-	2692.85	3080.43	50.00	2461.38	879.14	40	9224.05	364.42	85.27	22.00
98-99	387.58	-	2947.38	3334.96	-	2586.05	894.20	38	10027.52	353.48	89.14	23.00
99-00	387.58	-	3228.90	3616.47	-	2941.08	1173.59	39	10868.18	380.46	89.14	23.00
2000-01	387.58	-	3631.17	4018.75	-	3052.18	1186.74	38	10835.22	530.41	116.27	25.00 +5% (Platinum Jubilee Dividend)
01-02	387.58	-	4246.98	4634.56	-	3116.95	1184.39	35	11520.83	921.68	116.27	30.00
02-03	387.58	-	5276.75	5664.32	-	3490.44	1423.40	35	14143.71	1160.94	116.27	40.00
03-04	290.68	-	8950.91	9241.60	-	3928.48	1472.95	33	17207.62	5075.35	726.71	50.00 +200% (Special Interim Dividend)
04-05	290.68	-	10991.86	11282.54	-	4600.27	1926.83	31	21040.25	2535.71	436.02	50.00 +100% (Special Interim Dividend)
05-06	484.47	-	11521.75	12006.22	-	5701.92	2828.08	32	25608.72	972.27	218.01	40.00 +5% (Eightieth Anniversary Dividend) & Bonus 2:3
06-07	484.47	-	12852.79	13337.27	-	6940.06	3724.87	30	36280.18	1671.12	290.68	60.00
07-08	484.47	-	13957.80	14442.27	-	7224.78	3799.39	30	45180.13	1501.76	339.13	70.00
08-09	484.47	-	16006.88	16491.35	-	9473.95	5607.64	29	66534.80	2530.89	411.80	85.00
09-10	484.47	-	18297.37	18781.84	2000.00	10863.77	6409.84	28	67564.54	2857.30	484.47	100.00
10-11	484.47	-	20531.26	21015.73	-	12357.94	7210.67	25	64595.66	2796.95	484.47	100.00



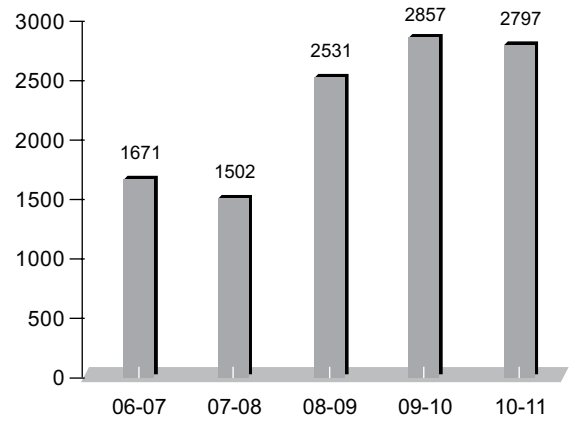
INCOME FROM OPERATIONS

₹ Lacs



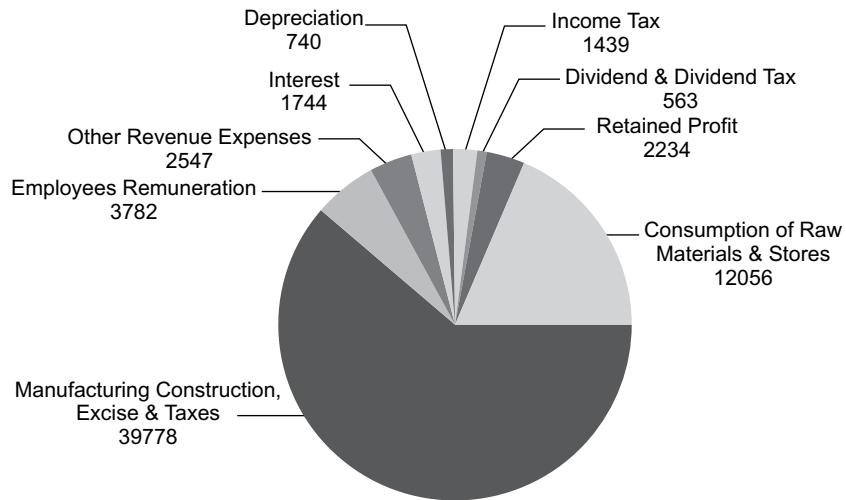
NET PROFIT

₹ Lacs



DISTRIBUTION OF INCOME, EXPENDITURE AND PROFIT

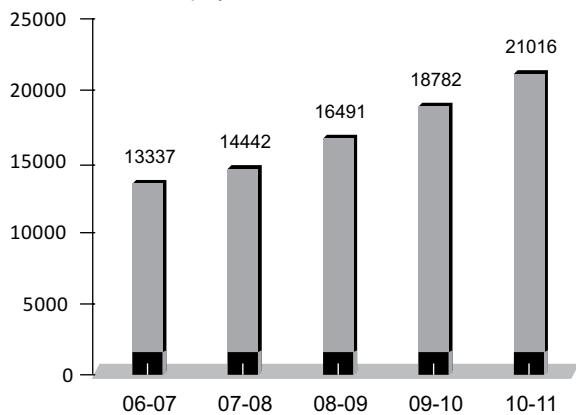
₹ Lacs



SHAREHOLDER'S FUND

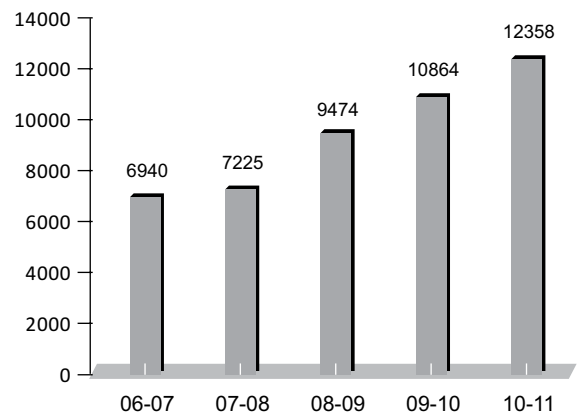
₹ Lacs

■ Equity ■ Reserve



GROSS BLOCK

₹ Lacs





The Indian Hume Pipe Co. Ltd.

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the Eighty Fifth Annual General Meeting of the Company at Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th Floor, Indian Merchants' Chamber Road, Churchgate, Mumbai 400 020 on Wednesday, 27th July, 2011 at 4.00 P.M.

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

(Member's/Proxy's Signature)

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

----- CUT HERE -----



The Indian Hume Pipe Co. Ltd.

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

PROXY

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

I/We _____
of _____ in the district of _____
being a Member/Members of the above named Company hereby appoint _____
of _____ in the district of _____ or failing him/her _____ of _____
in the district of _____ as my / our proxy to attend and vote for me/us and on my/our behalf at the Eighty Fifth Annual General Meeting of the Company to be held on Wednesday, 27th July, 2011 at 4.00 P. M. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Signature _____



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

----- CUT HERE -----

CHANGE OF ADDRESS / CHANGE OF E-MAIL ID

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

Date: _____

Dear Sir,

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

Name and New Address _____

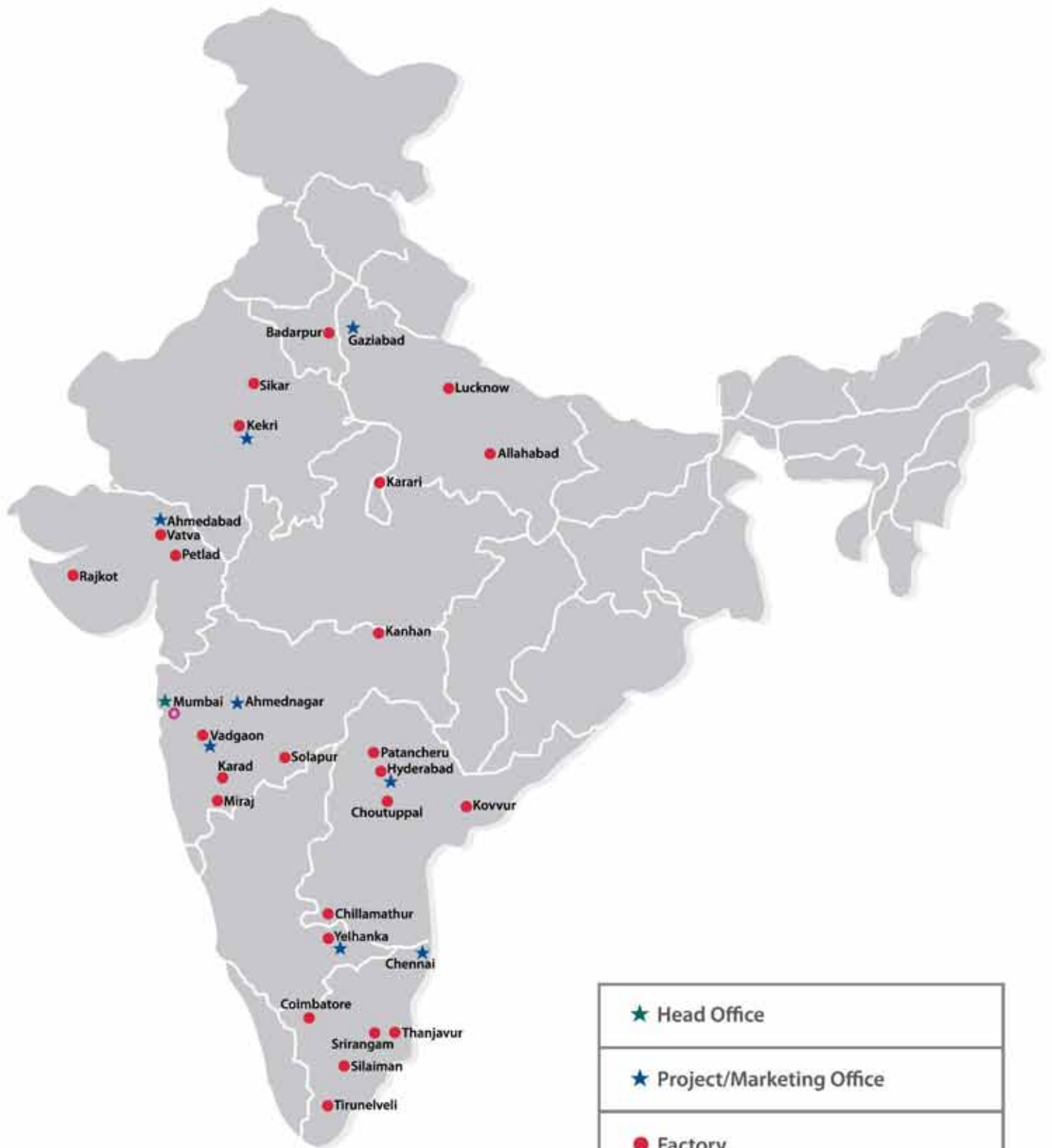
Pin _____
E-mail ID _____

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

Tel No.: _____
(If any)

Member(s) Signature(s)

MAP SHOWING IHP FACTORIES/OFFICES IN INDIA



★ Head Office
★ Project/Marketing Office
● Factory
★ Reserch & Development Division



The Indian Hume Pipe Co. Ltd.

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

Tel: 022 - 22618091/40748181 Fax: 022 - 22656863

Email: info@indianhumpipe.com

Website: www.indianhumpipe.com