



Indian Hume Pipe

ANNUAL REPORT 2019 - 20





New factory at Walwa, Maharashtra

Board of Directors	<p>Mr. Rajas R. Doshi Mr. Mayur R. Doshi Ms. Jyoti R. Doshi Ms. Anima B. Kapadia Mr. Rajendra M. Gandhi Mr. Rameshwar D. Sarda Mr. N. Balakrishnan (Up to 15.03.2020) Mr. Vijay Kumar Jatia Mr. P. D. Kelkar (Up to 15.09.2019) Ms. Sucheta N. Shah (From 12.02.2020)</p>	<p>: Chairman & Managing Director : Executive Director : Non-Executive Directors</p> <p>: Independent Directors</p>
Company Secretary	Mr. S. M. Mandke	
Chief Financial Officer	Mr. M. S. Rajadhyaksha	
Executives	<p>Mr. P. R. Bhat Mr. G. Pundareekam Mr. Ajay Asthana Mr. S. Arunachalam Mr. D. H. Argade Mr. Shashank J. Shah Mr. M. N. Gawade Mr. A. B. Joshi Mr. S.G. Chavan</p>	<p>: Vice President (Up to 30.05.2020) : Sr. General Manager : Sr. General Manager : General Manager : General Manager : General Manager : General Manager - Internal Audit : General Manager - HR : General Manager - Purchase</p>
Auditors	M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Indiabulls Finance Centre, Tower 3, 27 th -32 nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013	
Solicitors	M/s. Daphtary Ferreira & Divan M/s. Argus Partners	
Bankers	<p>State Bank of India Bank of Baroda HDFC Bank Ltd. Union Bank of India (formerly Corporation Bank)</p>	<p>IDFC First Bank Ltd. ICICI Bank Ltd. AXIS Bank Ltd.</p>
Registrar and Transfer Agent	<p>M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L. B. S. Marg, Vikhroli (W), Mumbai - 400 083 Tel No.: 022-49186270 Fax No.: 022-49186060 email : rnt.helpdesk@linkintime.co.in</p>	<p>CONTENTS</p> <p>Notice 02 Management Discussion and Analysis Report 12 Board's Report 20 Secretarial Auditors' Report 32 Corporate Governance Report 45 Auditors Certificate on Corporate Governance 59 Business Responsibility Report 60 Independent Auditor's Report 65 Balance Sheet 70 Statement of Profit and Loss 71 Cash Flow Statement 72 Statement of Changes in Equity 73 Notes to Financial Statement 74 Important Financial Statistics 112</p>
Registered Office	<p>Construction House, 2nd Floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001 Tel No. : 022-22618091 / 92, 40748181 Fax No. : 022-22656863 email : info@indianhumepipe.com Website : www.indianhumepipe.com CIN No. : L51500MH1926PLC001255</p>	
Annual General Meeting	<p>Friday, 4th September, 2020, at 2.30 p.m. (IST) Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")</p>	

NOTICE

NOTICE is hereby given that the NINETY-FOURTH ANNUAL GENERAL MEETING of the Company will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") as scheduled below to transact the following business:-

DAY : Friday
DATE : 4th September, 2020
TIME : 2.30 P.M. (IST)

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 including the Audited Balance Sheet as at 31st March, 2020 and the Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2020.
3. To appoint a Director in place of Ms. Anima B. Kapadia (DIN: 00095831), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

4. APPOINTMENT OF INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Sections 149, 152 and 161 read with Schedule IV, Articles of Association of the Company and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Sucheta N. Shah (DIN: 00322403), who was appointed by the Board of Directors on the recommendation of Nomination and Remuneration Committee as an Additional Director (Non-Executive and Independent Director) of the Company on 12th February, 2020, who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of three (3) consecutive years from 12th February, 2020 to 11th February, 2023, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

5. PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS

To consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Section 197, 198 and all other applicable provisions of the Companies Act, 2013 (the Act) including any statutory modification(s), amendment(s) or re-enactment thereof, SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Articles of Association of the Company and in supersession of earlier Special Resolution passed by the Members at the Annual General Meeting held on 10th July, 2017, the consent of the Members be and is hereby accorded for payment of commission to all the Non-Executive Directors of the Company for a further period of 3 (three) years commencing from the financial year 2020-21 to 2022-23 as may be decided by the Board from time to time, provided that the total commission payable to all the Non-Executive Directors for each financial year shall not exceed the limit laid down under the Companies Act, 2013 for that financial year as computed in the manner specified under Section 198 of the Act or an amount not exceeding ₹ 65 Lakhs in aggregate, whichever is less, with authority to the Board to determine the manner and proportion in which the amount to be distributed among the Non-Executive Directors."

6. CREATION OF SECURITY

To consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT in furtherance of the special resolution passed by way of Postal Ballot on 7th August, 2014 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall include a Committee of Directors constituted / to be constituted with the power to delegate such authority to any person or persons authorised by the Board) to mortgage and/or charge in addition to mortgages / charges created / to be created by the Company, in such form and manner and with such ranking, whether exclusive, pari-passu, second or subservient charge(s) or otherwise and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties of the Company, both present and future and / or the whole or substantially the whole or any part of the Undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Banks, Financial Institutions, Non-Banking Financial Companies (NBFC), and other Lender(s), Agent(s) and Security Trustees, Debenture Trustees, Trustee(s), etc. for securing the borrowings availed / to be availed by way of loan(s) in Rupee and / or Foreign currency and / or securities in the nature of debts instruments issued / to be issued by the Company, from time to time, for due repayment of sums of money together with interest, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the Agent(s) / Security Trustees, Debenture Trustees, Trustee(s), etc., premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation, revaluation, fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document(s), deed(s) entered into or to be entered into between the Company and the Lender(s), Agents(s) and Trustee(s) etc. in respect of such borrowings.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to finalise, settle and execute all such documents,



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deeds, writings, papers, and / or agreements including delegation of all or any of the powers as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable.”

7. RATIFICATION OF REMUNERATION TO COST AUDITOR

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof, for the time being in force) and as recommended by the Audit Committee and approved by the Board of Directors of the Company, the remuneration payable to Mr. Vikas Vinayak Deodhar, Cost Accountant, Membership No.3813 as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2020-21 of ₹ 1,20,000/- (Rupees One Lakh Twenty Thousand only) as also the payment of GST as applicable and reimbursement of out of pocket expenses and / or travelling expenses incurred by him in connection with the aforesaid cost audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary, proper or expedient for giving effect to the above resolution.”

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

S. M. Mandke
Company Secretary

Registered Office:

Construction House, 2nd Floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001
Tel No. : 022-22618091 / 92, 40748181
Fax No. : 022-22656863
email : info@indianhumepipe.com
Website : www.indianhumepipe.com
CIN No. : L51500MH1926PLC001255

Date : 29th June, 2020

NOTES:-

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/ 2020 dated 5th May, 2020, read with General Circular No. 14/ 2020 dated 8th April, 2020 and General Circular No. 17/ 2020 dated 13th April, 2020 (collectively referred to as “said Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Shareholders at a common venue.

Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 (“Act”) read with the said Circulars and SEBI Circular dated 12th May, 2020, the Company has decided to

convene its ensuing 94th AGM through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) (VC/ OAVM) without the physical presence of Members at a common venue and the Shareholders can attend and participate in the ensuing AGM through VC/ OAVM.

2. **PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** However, since this AGM is being held through VC/ OAVM, whereby physical attendance of Shareholders has been dispensed with and in line with the said Circulars read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (“said SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS 94th ANNUAL GENERAL MEETING (AGM) and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Participation of Members through VC will be reckoned and counted for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
4. Institutional / Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to jhr@jhrasso.com with a copy marked to evoting@nsdl.co.in.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 25th August, 2020 to Friday 4th September, 2020 (both days inclusive) for the purpose of holding 94th Annual General Meeting.
6. The Dividend of ₹ 2/- per equity share of ₹ 2/- each (100%) on share paid-up share capital of 4,84,47,170 Equity Shares for the financial year ended 31st March, 2020 (if declared by the shareholders at the ensuing Annual General Meeting) subject to tax deduction at a source will be paid on or after Tuesday, 8th September 2020 to those Members whose names appear in the Register of Members of the Company as on the Book Closure date.

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

In order to avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, the shareholders are advised to avail of ECS/NECS 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 to avail benefit of this service / facility.

7. Members may note that the Income Tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company on or after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required

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to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act. For **Resident shareholders**, taxes shall be deducted at source under Section 194 of the IT Act as follows, Members having valid PAN @7.5% or as notified by the Government of India. Members not having valid PAN @20% or as notified by the Government of India. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document/certificate as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document/certificate as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document/certificate as mentioned above. For **Non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following : • Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member • Copy of Tax Residency Certificate (TRC) for the FY 2020-21 obtained from the revenue authorities of the country of tax residence, duly attested by member • Self-declaration in Form 10F • Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty • Self-declaration of beneficial ownership by the non-resident shareholder • Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member. In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) The aforementioned documents are required to be sent by email to ihptaxexemption@linkintime.co.in during the period commencing from August 10, 2020 and ending on August 25, 2020. We request you to visit www.indianhumepipe.com for more instructions and information in this regard. No communication would be accepted from Members after 24th August, 2020 regarding tax withholding matter.

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

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to M/s. Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Company in case the shares are held by them in physical form.
10. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them in physical form. Members desirous of making nominations may obtain the prescribed form from the Registrar & Share Transfer Agents, M/s. Link Intime India Pvt. Ltd or may download from the Company's website www.indianhumepipe.com.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. Link Intime India Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the Meeting, if not already voted through remote e-voting.
13. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**
 - i. The Company has engaged the services of NSDL as the authorised agency for conducting the 94th AGM through VC/OAVM and providing e-voting facility.
 - ii. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
 - iii. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in notes to the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
 - iv. The facility for joining the 94th AGM through VC / OAVM shall open 15 minutes before the time scheduled to start the 94th AGM and will be available to the Members on first come first served basis and will remain open upto 15 minutes after the schedule time of the meeting. The Members are required to follow procedure mentioned in the Notice of 94th AGM.
 - v. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in / 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager – NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553 or Ms. Soni Singh, Assistant Manager - NSDL at sonis@nsdl.co.in / 022-24994552.
 - vi. Members who would like to express their views/ask questions as a speaker at the 94th AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at ihp94agm@indianhumepipe.com



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between Saturday, 29th August, 2020 (9.00 a.m. IST) to Tuesday, 1st September, 2020, (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves its right to restrict the number of speakers depending on the availability of time for the AGM.

- vii. Members who wish to seek information on accounts and Annual Report 2019-20 may send their questions/queries in advance to the Company mentioning their name, DP-ID and Client-ID/ Folio-No, PAN, Mobile Number at ihp94agm@indianhumepipe.com upto 1st September, 2020 (5.00 p.m. IST). The questions / queries will be suitably replied by the Company. Further, the members can also ask questions concurrently during the AGM time using chat box facility provided by NSDL.
- viii. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
14. Members wishing to claim dividends, which remain unclaimed for financial year 2012-13 and onwards are requested to contact M/s. Link Intime India Pvt. Ltd., Registrar & Share Transfer Agent of the Company at C -101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400083, Telephone No: 022-49186270 email id rnt.helpdesk@linkintime.co.in. Members are requested to note that dividends not claimed for seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF)

The unpaid/unclaimed 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
2012-13	25-07-2013	30-07-2013	31-08-2020
2013-14	25-07-2014	30-07-2014	31-08-2021
2014-15	04-08-2015	06-08-2015	08-09-2022
2015-16	11-03-2016	28-03-2016	15-04-2023
2016-17	08-02-2017 (Interim)	21-02-2017	15-03-2024
2016-17	10-07-2017 (Final)	12-07-2017	14-08-2024
2017-18	20-07-2018	24-07-2018	24-08-2025
2018-19	26-07-2019	31-07-2019	30-09-2026

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the underlying shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority.

Accordingly, the Company had transferred 45,433 shares to the demat account of IEPF during the Financial year 2019-20. The members are requested to claim their shares and unclaimed dividend from IEPF authority as per procedure set out in the IEPF Rules.

The Shareholders who have not claimed their dividend for seven consecutive years from Financial Year 2012-13 onwards are requested to claim the dividend on or before 25th August, 2020. The details of unclaimed dividend of the concerned Shareholders is posted on the website of the Company at www.indianhumepipe.com

in “Investors-Unpaid dividend”. In case the dividends are not claimed by the said date, necessary steps will be initiated by the Company to transfer these shares held by the members to IEPF Authority without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

15. Members may note that the Notice and Annual Report 2019-20 will be available on the Company’s website www.indianhumepipe.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com.
16. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under item Nos.4 to 7 above, to be transacted at the meeting and the relevant details of the Directors seeking re-appointment is annexed hereto and forms part of this Notice.
17. Appointment/Re-appointment of Directors: Details of Directors seeking appointment/re-appointment at the 94th Annual General Meeting of the Company, as required in terms of Regulation 26(4), 36(3) of SEBI (Listing Obligation and Disclosure Regulation) 2015 and Secretarial Standard No. 2 on General Meetings is provided in the notes to the Notice of AGM and Explanatory Statement of the Notice.
18. As per provisions of Section 152 of the Companies Act, 2013, Ms. Anima B. Kapadia, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. A brief profile is given below in respect of a Director retiring by rotation at ensuing Annual General Meeting of the Company.
- Ms. Anima B. Kapadia (68) is B.A. L.L.B from University of Mumbai. She is associated with the Company as Non-Executive Director since 2001. She is Solicitor & Advocate and Sole Proprietor of M/s. Daphtary Ferreira & Divan, Mumbai which firm was established in 1893. M/s. Daphtary Ferreira & Divan is one of the Solicitors to the Company. She is also a Director on the Boards of M/s. Lucid Colloids Limited, Mumbai and B. A. & Bros. (ESTN) Limited, Kolkata and Avik Investment & Trading Pvt. Ltd. She is a Chairperson of the Stakeholders Relationship Committee and Member of the Nomination & Remuneration Committee of the Company. She is also Member of the Audit Committee of M/s Lucid Colloids Limited. Ms. Anima Kapadia holds 1660 Shares of the Company. She is not related to any Directors of the Company.
19. There are Four Independent Directors on the Board of the Company viz., Mr. Rajendra M. Gandhi, Mr. Rameshwar D. Sarda, Mr. Vijay Kumar Jatia and Ms. Sucheta N. Shah. The Company has received declarations from all the above Independent Directors stating that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. The Board of Directors of the Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of independence as per Section 149(6) of the Companies Act, 2013 and the rules thereunder and also meet the requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for being appointed as Independent Directors on the Board of the Company and are also independent of the management.

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20. In terms of section 101 and 136 of the Companies Act, 2013 read with the rules thereunder and SEBI (LODR), 2015 and relaxation given by MCA and SEBI, the copy of Annual Report for 2019-20 including Audited Financial Statements, Board's report etc. and this Notice of 94th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting is being sent by email to all those members whose email ids are registered with their respective depository participants/with the Company in respect of shares held in physical form.
21. SEBI has mandated the transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, request for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risk associated with the physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.
22. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities market. Accordingly, members holding shares in electronic form are requested to submit their self assisted copy of PAN to their respective Depository Participants. Members holding shares in physical form should submit their self assisted copy of PAN to the Company or to RTA.
23. Non-Resident Indian Members are requested to write to M/s. Link Intime India Pvt. Ltd., immediately for change in their residential status on return to India for permanent settlement.
24. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed to the Notice.
25. Instructions for e-voting and joining the AGM are as follows :

VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Monday, 31st August 2020 (9:00 a.m. IST) and ends on Thursday, 3rd September, 2020 (5:00 p.m. IST).

During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 28th August, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- i. Mr. J. H. Ranade Membership No.F 4317 & Certificate of Practice No.2520 or failing him Mr. Sohan J. Ranade Membership No. A 33416 & Certificate of Practice No. 12520 or failing him Ms. Tejaswi A. Zope Membership No. A 29608 & Certificate of Practice No.14839 (any

one of them), Partners of JHR & Associates, Company Secretaries in practice has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at AGM, in a fair and transparent manner and they have communicated his willingness to be appointed and will be available for the same purpose.

- ii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on Friday, 28th August, 2020, the cut-off date.
- iv. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of Friday, 28th August, 2020, the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- v. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders/ Members" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. ideas, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:	Your User ID is:
A) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****



NOTICE

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:	Your User ID is:
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12**
C) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

4. Your password details are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.co.in. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
5. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

6. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
7. Now, you will have to click on "Login" button.
8. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is **113261**.
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to jhr@jhrasso.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in / pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990

NOTICE

Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, Ms. Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder
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Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP
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4. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
5. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.indianhumepipe.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

ITEM NO.4

Based on the recommendations of the Nomination and Remuneration Committee and the relevant provisions of the Companies Act, 2013, Rules thereunder, the Articles of Association of the Company and SEBI (LODR), 2015, the Board of Directors has appointed Ms. Sucheta N. Shah (DIN: 00322403), as an Independent Director of the Company for a period of 3 years from 12th February, 2020 to 11th February, 2023. Pursuant to Section 161 of the Companies Act, 2013, Ms. Sucheta N. Shah holds office upto the date ensuring Annual General Meeting of the Company. A notice has been received from a Member, as required under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Sucheta N. Shah for office of the Director.

Ms. Sucheta N. Shah has given a declaration of independence to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Ms. Sucheta N. Shah fulfils the conditions specified in the Act and the rules thereunder for appointment as an Independent Director and that she is independent of the Management. In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Ms. Shah as Independent Director is now being placed before the Members for their approval. The Company has received confirmation from Ms. Shah, in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013:

Ms. Sucheta N. Shah does not hold any shares in the Company and is not related to any Directors, Managers or Key Managerial Personnel of the Company.

She is the Promoter Director of Atlas Integrated Finance Ltd. Member – NSE & BSE. It is into Wealth Management and also cover the entire gamut of financial services. She is also Director of Atlas Wealth Management Private Limited,

She is the Chairperson of the Maharashtra State FICCI MSME sector.

She is an Independent Director on the Board of Tata Housing Development Company Ltd, Jayant Agro-Organics Ltd., and IHSEDU Agrochem Private Limited. She is a Member of Stakeholders Relationship Committee of the Company w.e.f. 16th March, 2020. She is a Member of Audit Committee and Nomination and Remuneration Committee of Tata Housing Development Company Ltd., Chairperson of Stakeholders Relationship Committee of Jayant Agro-Organics Ltd., and Member of Audit Committee of IHSEDU Agrochem Private Limited.

She has been associated with FICCI Ladies Organisation (FLO) since 2003. She was the Chairperson of the FLO Mumbai Chapter for the year 2011-12 when she launched the project, SWAYAM- a support cell for Women Entrepreneurs and later took it up to the National level.

A copy of the letter of appointment setting out the terms and conditions is available for inspection of the Shareholders through electronic mode. Shareholders may write to the Company at investors@indianhumepipe.com in this regard, by mentioning "Request for Inspection" in the subject of the email.

Except Ms. Sucheta N. Shah, no other Director or Key Managerial Personnel, or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the above Ordinary Resolution at Item No.4 for your approval.



NOTICE

ITEM NO.5

In pursuance of the special resolution passed under Section 197, 198 and other applicable provisions of Companies Act, 2013 by the Members at the Annual General Meeting held on 10th July, 2017, the Non-Executive Directors are paid remuneration by way of commission on net profits of the Company not exceeding the limit laid down under the Companies Act, 2013 or ₹ 56 Lakhs in aggregate whichever is less for each financial year, for a period of 3 years from the financial year 2017-18 to 2019-20. In addition to the commission on net profits, the Non-Executive Directors are paid sitting fees for each meeting of the Board or Committees of the Board and meeting(s) of Independent Directors thereof attended by them.

The commission for the financial year 2019-20 amounting to ₹ 54 Lakhs will be paid to the Non-Executive Directors of the Company as decided by the Board.

In view of increase in the Company's operations, current competitive business environment and shouldering of higher responsibilities by Non-Executive Directors under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entailing their increased time commitments for the Company, it is therefore desirable to increase the amount of commission to the Non-Executive Directors of the Company under Section 197, 198 and other applicable provisions if any, of the Companies Act, 2013, the limit laid down under the Companies Act, 2013 or an amount not exceeding ₹ 65 Lakhs in aggregate, whichever is less, for each financial year, for further period of 3 (Three) years commencing from the financial year 2020-21 to 2022-23 in terms of the Special Resolution at item No.5

The payment of commission would be in addition to the sitting fees paid / payable for each meeting of the Board or Committees of the Board and meeting(s) of Independent Directors thereof attended by them as also reimbursement of traveling, lodging and conveyance expenses etc. for attending meetings.

All the Directors of the Company and their relatives are interested in the Special Resolution set out at Item No.5 of the accompanying Notice, since it relates to their respective remuneration.

Ms. Jyoti R. Doshi, Non-Executive Director is relative of Mr. Rajas R. Doshi, Chairman & Managing Director and Mr. Mayur R. Doshi, Executive Director of the Company and hence all of them are concerned and interested, financially or otherwise, in the Special Resolution set out at Item No.5.

None of the other Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.5.

The Board recommends the above Special Resolution at Item No.5 for the approval of Members.

ITEM NO.6

Section 180 (1) (a) of the Companies Act, 2013 provides that the Board of Directors of a public company shall not, except with the consent of the company by special resolution in the General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking

of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

The Company is required to create charges/mortgages in respect of working capital facilities and other loans, facilities availed/to be availed from the Company's Bankers and/or other Banks, Lenders etc. from time to time.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in the above resolution except to the extent of their shareholding in the Company.

The Board recommends the above Special Resolution at Item No.6 for the approval of Members.

ITEM NO.7

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of Mr. Vikas Vinayak Deodhar, Cost Accountant, Membership No.3813 as Cost Auditor of the Company and payment of remuneration to conduct the audit of the cost records of the Company pertaining to products under HSN code 73059010 (MS Pipe) and Joint-Rings, 73069011 (BWSC) and 73053110 (PCCP) for the financial year 2020-21. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration of ₹ 1,20,000/- plus GST and reimbursement of out of pocket expenses payable to the Cost Auditor for the financial year 2020-21 as set out in the resolution at Item No.7 of the Notice.

The eligibility and consent letter is available for inspection of the Shareholders through electronic mode. Shareholders may write to the Company at investors@indianhumepipe.com in that regard, by mentioning "Request for Inspection" in the subject of the email.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are in anyway concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board recommends the above Ordinary Resolution at Item No.7 for your approval.

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

S. M. Mandke
Company Secretary

Registered Office:

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

Date : 29th June, 2020

NOTICE

PROFILE OF DIRECTOR BEING RE-APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed are given below:

Name of the Director	Ms. Anima B. Kapadia
Nature of Resolution	Re-appointment
Age	68 Years
Director Identification Number	00095831
Qualifications	B.A., L.L.B
Nature of expertise in specific functional areas:	Ms. Anima B. Kapadia (68) is associated with the Company as Director since 2001. She is an eminent and learned Solicitor & Advocate and sole proprietor of M/s. Daphtary Ferreira & Divan, Mumbai, which firm was established in 1893, one of the Solicitors of the Company. Wide experience in Law.
Directorships held in Companies (including Foreign Companies and Private Companies)	1. The Indian Hume Pipe Company Limited 2. Lucid Colloids Limited 3. B. A. & Bros. (ESTN) Limited 4. Avik Investment & Trading Pvt Ltd
Disclosure of Relationship between directors inter se:	Not related to any Director/Key Managerial Personnel of the Company.
Chairman / Member of Committees	1. Lucid Colloids Limited – Member of the Audit Committee & Nomination and Remuneration Committee 2. The Indian Hume Pipe Company Limited - Chairperson of the Stakeholders Relationship Committee and Member of the Nomination & Remuneration Committee
Number of Equity Shares held in the Company	1660 Shares

PROFILE OF DIRECTOR BEING APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed are given below:

Name of the Director	Ms. Sucheta N. Shah
Nature of Resolution	Appointment
Age	53 Years
Director Identification Number	00322403
Qualifications	B.Com, M.B.A (Finance)
Nature of expertise in specific functional areas:	She has done her Masters in Management (Finance) from S. P. Jain Institute of Management, Mumbai in with specialization in Finance and her B.Com from Sydenham College of Commerce and Economics. Wide experience in Business Management and Finance.
Directorships held in Companies (including Foreign Companies and Private Companies)	1. Jayant Agro-Organics Limited 2. Atlas Integrated Finance Limited 3. Atlas Wealth Management Private Limited 4. IHSEDU Agrochem Private Limited 5. Tata Housing Development Company Limited 6. The Indian Hume Pipe Company Limited
Disclosure of Relationship between directors inter se:	Not related to any Director/Key Managerial Personnel of the Company.
Chairman / Member of Committees	1. Tata Housing Development Company Limited - Member of Audit Committee & Nomination and Remuneration Committee 2. Jayant Agro-Organics Limited - Chairperson of Stakeholders Relationship Committee 3. The Indian Hume Pipe Company Limited Member of Stakeholders Relationship Committee w.e.f. 16 th March, 2020 4. IHSEDU Agrochem Private Limited - Member of Audit Committee
Number of Equity Shares held in the Company	NIL



NOTICE

Important Communication to Members

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

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

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

Members are aware that the Company’s Shares are compulsorily traded in electronic form only. Presently 98.56% of shares are in demat mode.

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

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 of drinking water supply projects, irrigation projects, Hydro Electric Projects, Sanitation and Sewerage schemes. For over three decades as a part of nation building, your Company has also been undertaking infrastructure development programmes by way of executing on turnkey basis the combined water supply projects i.e. undertaking the complete job of water supply from source to distribution centers which apart from manufacturing, laying and jointing of pipelines included construction of intake wells, water sumps, water treatment plants, water pumping stations, installation of pumping machineries, electro-mechanical works, branch mains, ground level reservoirs, elevated reservoirs, leading to executions of complete systems for water supply to various towns and villages of India.

2. OPPORTUNITIES AND THREATS:

Water is one of the most crucial elements in our national developmental planning for the 21st Century. The proper management of our limited water resources will be essential to ensure food security for country's growing population and to eliminate poverty. (Water Policy and Action Plan for India 2020: An Alternative).

As per Indian Census 2011, the population of India was 121 Crores. A scarce natural resource, water is fundamental to life, livelihood, food security and sustainable development. India has more than 18% of the world's population, but has only 4% of world's renewable water resources and 2.4% of world's land area. There are further limits on utilizable quantities of water owing to uneven distribution over time and space. In addition, there are challenges of frequent floods and droughts in one or the other part of the country. With a growing population and rising needs of a fast developing nation as well as the given indications of the impact of climate change, availability of utilizable water will be under further strain in future with the possibility of deepening water conflicts among different user groups. The main emphasis of the National Water Policy, 2012 is to treat water as economic good. Low consciousness about the scarcity of water and its life sustaining and economic value results in its mismanagement, wastage, and inefficient use, as also pollution and reduction of flows below minimum ecological needs. In addition, there are inequities in distribution and lack of a unified perspective in planning, management and use of water resources (Source:-

National Water Policy 2012). As it is with the growing population demanding more food, more products and higher standards of living, the shortage of drinking water can only get worse. Thus there is a vast scope for improvement in infrastructural developmental activities in water supply, drainage and sewerage schemes in sanitation Swachh Bharat segments leading to good scope for Company's manufacturing & contracting activities in this field.

Growth of population and the expansion of economic activities inevitably lead to increasing demands for water for diverse purposes i.e. domestic, industrial, agricultural, hydro-power, thermal power, navigation, recreation etc. Domestic and Industrial water needs have been largely concentrated in or around major cities, however the demand in rural areas is expected to increase sharply with 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 rights. Hence there is a good scope for many water supply projects coming up in near future and this auger well for your Company.

Increased competition from medium/large scale construction entities and availability of substitutes such as alternative pipe materials like Ductile Iron pipes, Spirally welded steel pipes and H.D.P. E. pipes are perceived as one of the threat / competition to the Company. Another cause is prices of key raw materials namely steel, steel wires, HT wires and cement, which where on uptrend during the year under review.

3. SEGMENT-WISE ACTIVITY:

The Company is considered a pioneer in the field of water supply industry; it is in this line for last 93 years. The Company's presence is there in almost all water supply related activities, viz. Urban & Rural Water Supply, Penstock for Hydro Power Generation, Tunnel Lining, Large diameter Irrigation pipelines, Head Works including pumping machinery, Treatment Plants, Overhead Tanks and other allied Civil Construction. The Company also supplies Concrete Railway sleepers to Indian Railways. The segment wise report is as under:

(A) WATER SUPPLY AND SEWERAGE PROJECTS:

(i) Some prominent Water Supply Projects and Drainage Schemes substantially completed by your Company valued more than ₹ 5,000 Lakhs each during the year are:-

1. Providing drinking water to Balkonda, Armoor, Nizamabad, Kamareddy and part of Yellareddy constituencies from SRSP Reservoir, Nizamabad District in Telangana consisting of 1500 mm dia PCCP pipes, 400 to 600 mm dia BWSC Pipes and 1,000 & 1400 mm dia MS pipes, 100 to 1,000 mm dia DI K7 & K9 pipes and 63 to 315 mm dia HDPE pipes, 60 MLD RSF, 40 MLD RSF,



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

22,500 KL Sump, OHBRs, GLBRs, pumphouse, watchman quarters including operation and maintenance for 10 years of the value of ₹ 1,24,480.74 Lakhs for TDWSP Circle, Nirmal, in Telangana.



400 KL OHBR at Balkonda Hillock for Balkonda (TDWSP) Project, in Telangana.



600 KL OHBR at Mallannagutta for Balkonda (TDWSP) Project, in Telangana.

2. The PHED, NCR Reion, Alwar, Rajasthan for Alwar Water Supply Project, consisting of DI & HDPE pipes including 16 Nos. Overhead Service Reservoirs & 15 Nos. Clear Water Reservoirs of the value of ₹ 12,734.76 Lakhs in Rajasthan.



2000 KL OHSR for Urban Water Supply Scheme, Alwar, in Rajasthan



Installation of Pumping Machineries at Scheme No. 8 under Alwar NCR, in Rajasthan.

3. Comprehensive Water Supply Improvements in Ananthapuramu Municipal Corporation (Package-I) under Andhra Pradesh Municipal Development Project (APMDP) consisting of 100 to 400 mm dia DI pipes of the value of ₹ 11,731.13 Lakhs for Municipal Corporation, Ananthapuramu in Andhra Pradesh.



600 KL x 16 Mtr Staging ELSR for Ananthapuramu Comprehensive Water Supply Improvements, in Andhra Pradesh.

4. Survey, design, fixing of alignment, supply of all materials, labour, T&P etc. and do earth work, laying of 1200 mm dia BWSC pipe rising main from Nandpur Intake-cum-pump house to water treatment plant & laying of 350 to 1200 mm dia BWSC pipe, 150 mm dia to 800 mm dia DI K-7 pipe feeder main from water treatment plant to Zone-IA to

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Zone-19A, Jointing of its specials, fitting, etc. including road cutting, reinstatement of road, testing, commissioning, trial run along with all necessary Appurtenant works for Firozabad reorganization water supply scheme (By Surface Water of Ganga Canal) under State programme (turnkey basis) of the value of ₹ 6,536.89 Lakhs in Uttar Pradesh.



1200 mm dia BWSC pipeline at Santhi Village for Firozabad WSS, in Uttar Pradesh.

5. Extension of S2C4 for manufacture, supply, laying, jointing & testing of RCC NP3 Class Pipes of 2600mm dia for a length of 1,520 Mtrs. and 252 Mtrs. length of 3500mm dia MS Casing Pipes for Trenchless Technology works of the value of ₹ 5,184.01 Lakhs for Bangalore Water Supply & Sewerage Board, Bengaluru in Karnataka.
6. CPWS Scheme to Kothapeta and Ravulapalem Mandals in East Godavari District including AC, HDPE pipeline, WTP, Sump, OHBR, EM works consisting of 700 mm dia PSC and 600 mm dia PCCP pipes of the value of ₹ 5,085.70 Lakhs for RWS&S Department, Kakinada in Andhra Pradesh.

(ii) Company's works on many Water Supply Projects and Drainage Schemes valued more than ₹ 5,000 Lakhs each are progressing well and/or nearing completion and the noteworthy amongst them are:-

1. Karnataka Power Corporation Limited, Bengaluru for manufacturing and supplying to site, laying, jointing, testing and commissioning of 1600/1700 mm dia PCCP Pipeline and construction of appurtenant works for the water supply pipeline from Kushtagi to Bellary Thermal Power Plant of the value of ₹ 43,334.53 Lakhs in Karnataka.



1700 mm dia PCC pipeline for KPCL Bellary project, in Karnataka.

2. Water Resources Investigation Division, Palanpur, Gujarat for the work of Engineering, Procurement and Construction (EPC) Contract for Lift Irrigation M.S pipeline project for transmission of 200 cusecs of water from N.M.C. Chainage 431.200 Km near Tharad to Sipu Dam for Package 1 from Head Works at Tharad (Mahajanpura Village) to Head Works at Ramsan Village with Intermediate Head Works at Madal Village consisting of 2,024 mm dia MS pipes for 43.380 kms and 315 mm dia HDPE pipes for 72.045 kms of the value of ₹ 29,205.55 Lakhs in Gujarat.
3. Public Health Engineering Department, Ajmer for Jahazpur Water Supply Scheme consisting of 250 to 700 mm dia BWSC 100 to 350 mm dia DI (K7), 200 mm dia DI (K9), 110 to 310 mm dia HDPE and 700 to 800 mm dia MS Pipes including over head tank pumping station of the value of ₹ 24,151.90 Lakhs in Rajasthan.
4. Madhya Pradesh Jal Nigam Maryadit for Indwar-I Multivillage Rural Water Supply Scheme in Umariya and Katni District consisting of 100 to 800 mm dia DI (K-7) Pipes for 296.16 Km, 600 mm dia DI (K9) pipes for 4.7 Km and 90 to 200 mm dia HDPE (PN-6) Pipes for 1371.54 km including Intake well, Water Treatment Plant, Overhead Tank Clear Water Pumping Mains and allied civil works of the value of ₹ 23,970.53 Lakhs in Madhya Pradesh.
5. Madhya Pradesh Urban Development Co. Ltd., for Bhedaghat Water Supply Scheme consisting of 150 to 200 mm dia DI K7 pipes, 100 to 600 mm dia DI K9 pipes and 110 to 315 mm dia HDPE Pipes including Intake Well, 31 MLD water treatment plant, overhead tanks and 22,400 Nos. House Service Connections of the value of ₹ 23,575.38 Lakhs in Madhya Pradesh.
6. TWAD Board, Coimbatore for CWSS to Alampalayam Town & other habitations in Namakkal District, consisting of 100 to 300 mm dia DI K7 pipes for 114.36 km, 100 to 600 mm dia DI K9 pipes for 85.45 km, 813 & 700 mm dia MS pipes for 18.87 km and 63 to 160 mm dia PVC pipes for 624.76 km including Water Treatment Plant, Overhead tanks allied civil works of the value of ₹ 21,935.22 Lakhs in Tamilnadu.
7. For supply, laying, jointing & testing of DI Pipes from 100 mm to 600 mm dia for length of 6,76,987 Mtrs, 762 mm to 1,422 mm dia MS Pipes for length of 24,049 Mtrs. and DI Specials, Valves etc. and connected civil works of the value of ₹ 21,036.72 Lakhs, for Byatarayanapura WSS, for Bangalore Water Supply & Sewerage Board, Bengaluru in Karnataka.
8. Public Health & Municipal Engineering Department, Ananthapuramu, Andhra Pradesh for Providing Water Supply Distribution Network, House Service Connections, AMR Meters and SCADA including Operation and Maintenance in Municipal Towns of Yemmiganur, tmakur, Allagadda, Gudur and Nandikotkur in Kurnool District (Package - II) consisting of 300 to 450 mm dia DI K-7 Pipes and 110 to 250 mm dia HDPE Pipes including civil works of the value of ₹ 20,450.82 Lakhs in Andhra Pradesh.
9. Municipal Corporation Bilaspur, Chhattisgarh for Bilaspur Water Supply Scheme part-I consisting of 1,500 mm dia MS pipes, 300 to 1100 mm dia DI K7 pipes and 700 to 900 mm dia DI K9 pipes



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

including water treatment plant, overhead tanks of the value of ₹ 20,253.84 Lakhs in Chhattisgarh.



1500 mm dia MS pipeline laying at Bilaspur Water Supply Scheme, in Chhattisgarh.

10. TWAD Board, Coimbatore for Tiruppur Water Supply Scheme consisting of 200 to 600 mm dia DI K7 pipes and 110 to 225 mm dia HDPE pipes including Overhead tanks, Sumps and 40,200 Nos. House Service Connections of the value of ₹ 19,092.48 Lakhs in Tamilnadu.



17.50 Lakh Litre Capacity Balancing Reservoir at Sundamedu for Tiruppur Water Supply Scheme, in Tamilnadu.

11. Water Resources Investigation Division, Palanpur, Gujarat for the work of Engineering, Procurement and Construction (EPC) Contract for Lift Irrigation M.S pipeline project for transmission of 200 cusecs

of water from N.M.C. Chainage 431.200 Km near Tharad to Sipu Dam for Package 2 from Head Works at Ramsan Village to Sipu Dam consisting of 2,000 mm dia M.S. pipes for 25,336 mtrs and 315 mm dia HDPE Pipes for 38,463 mtrs including Electro-mechanical and instrumentation works of the value of ₹ 18,297.61 Lakhs in Gujarat.



2028 mm dia MS pipe Stock Yard at Ramsan Village for Palanpur Package-ii project, in Gujarat.

12. Tillari Water Supply project comprises of PCC pipeline of 1,300, 1,200, 900 & 800 mm dia for 33.88 Km and BWSC pipeline of 500 to 700 mm dia for 43.73 Km of the value of ₹ 16,365.71 Lakhs for Maharashtra Jeevan Pradhikaran in Maharashtra.
13. Jalgaon Jamod and 140 villages water supply scheme. The project comprises of 450 to 1,000 mm dia PCC pipeline for 48.90 Km of the value of ₹ 16,036.42 Lakhs for Maharashtra Jeevan Pradhikaran in Maharashtra.
14. Municipal Corporation Raipur, Chhattisgarh for Raipur Water Supply Scheme consisting of 100 to 600 mm dia DI K7 pipes and 200 to 500 mm dia DI K9 pipes including water treatment plant, overhead tanks and 12,466 Nos. House Service Connections of the value of ₹ 15,358.21 Lakhs in Chhattisgarh.
15. Asolamendha Project Renovation Division No.1, Mul, Dist. Nagpur for creation of Irrigation Potential 9219 Ha. by providing irrigation facility to CCA 7348 Ha. by Construction of Earth Work, Structure and Lining in Km. 1 to Km. 3 and Pipe Distribution Network in Km. 3 to Km. 16.32, Dewada Sub Branch and Network in Km. 1 to 16.32 of Gowardhan Branch on Asolamendha Project consisting of 63 to 315 mm dia – PVC Pipes – 483030 mtrs, 350 to 600mm dia D.I.K-7 Pipes– 27,537 mtrs, 700 to 1700 mm dia PCCP Pipes– 22592 mtrs, 2000 mm dia-1704 mtrs & 2300 mm dia – 2875 Rmt M.S.Pipes of the value of ₹ 13,603.71 Lakhs in Maharashtra.
16. Municipal Corporation Raipur, Chhattisgarh for Augmentation of Raipur Water Supply Scheme Phase-II Package-V consisting of 100 to 500 mm dia DI K7 pipes for 341.10 km and 500 to 800 mm dia DI K9 pipes for 5.79 km including allied civil works and 40,281 Nos. House Service Connections of the value of ₹ 13,419.25 Lakhs in Chhattisgarh.
17. Madhya Pradesh Jal Nigam Maryadit for Bankpura Multivillage Rural Water Supply Scheme in Rajgarh District consisting of 100 mm to 450 mm dia DI (K-7) Pipes for 180.62 Km, 100 mm to 450 mm dia

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

DI (K9) pipes for 32.70 Km and 90 mm to 225 mm dia 380.57 Km for HDPE (PN-6) Pipes including Intake well, Water Treatment Plant, Over head Reservoirs, Clear Water Pumping Mains and allied civil works of the value of ₹ 13,204.32 Lakhs in Madhya Pradesh.

18. J.C.Nagi Reddy Drinking Water Supply Scheme Phase II & III in Ananthapuramu District in Andhra Pradesh, consisting of 500 mm dia BWSC pipes and MS pipes of 600 mm dia and 1,000 mm dia of the value of ₹ 13,144.91 Lakhs for RWS&S dept. in Andhra Pradesh.
19. The Public Health Circle, Ananthapuramu for Tadipatri Water Supply Improvement Scheme, AMRUT scheme consisting of 150 to 800 mm dia DI K9 pipelines of the value of ₹ 13,130.07 Lakhs in Andhra Pradesh.
20. Korba Municipal Corporation, Korba for Water Supply Scheme to Korba consisting of DI & PCCP Pipes, Raw Water pumping Main of the value of ₹ 12,761.10 Lakhs in Chhattisgarh.
21. Madhya Pradesh Jal Nigam Maryadit for Kandaila Multi village Rural Water Supply Scheme in Rewa district consisting of 100 to 500 mm dia DI (K-7) Pipes for 112.01 Km, 450 to 600 mm dia DI (K9) pipes for 9.35 Km and 90 to 280 mm dia HDPE (PN-6) Pipes for 868.06 km including Intake well, Water Treatment Plant, Over head Reservoirs, Clear Water Pumping Mains and allied civil works of the value of ₹ 12,566.44 Lakhs in Madhya Pradesh.
22. Municipal Corporation Raipur, Chhattisgarh for Augmentation of Raipur Water Supply Scheme Phase-II Package-IV consisting of 100 to 600 mm dia DI K7 pipes for 303.66 km and 200 to 500 mm dia DI K9 pipes for 10.31 km including allied civil works and 23,758 Nos. House Service Connections of the value of ₹ 12,355.28 Lakhs in Chhattisgarh.
23. The Public Health Circle, Nellore for Ongole Municipal Corporation Water Supply Improvements Scheme, AMRUT project consisting of 200 to 450 mm dia DI pipeline, 110 to 315 mm dia HDPE pipeline, 1200 mm dia MS Pipeline and 500 mm dia BWSC pipeline of the value of ₹ 12,256.62 Lakhs in Andhra Pradesh.
24. Madhya Pradesh Jal Nigam Maryadit for Gadakota Multi village Rural Water Supply Scheme in Sagar district consisting of 100 to 400 mm dia DI (K-7) Pipes for 153.77 Km, 450 mm dia DI (K9) pipes for 10.90 Km and 90 to 200 mm dia HDPE (PN-6) Pipes for 621.85 km including Intake well, Water Treatment Plant, Over head Reservoirs, Clear Water Pumping Mains and allied civil works of the value of ₹ 12,038.03 Lakhs in Madhya Pradesh.
25. J.C. Nagi Reddy Drinking Water Supply Scheme in Ananthapuramu District (Phase-IV) in Andhra Pradesh consisting of 350, 800 & 900 mm dia BWSC pipes of the value of ₹ 11,672.98 Lakhs for Rural Water Supply & Sanitation Department in Andhra Pradesh.
26. Chilhowadi Pipeline project of PCCP pipeline of 900-1500 mm dia for 28.11 Km and BWSC Pipeline of 350-800 mm dia for 9.14 km including 1500 mm dia MS Pipeline for crossing river and nallah of the value of ₹ 10,895.19 Lakhs for Maharashtra Krishna Valley Development Corporation, Maharashtra..



1500 mm dia MS pipeline laying at Chilhowadi Pipeline Project, in Maharashtra



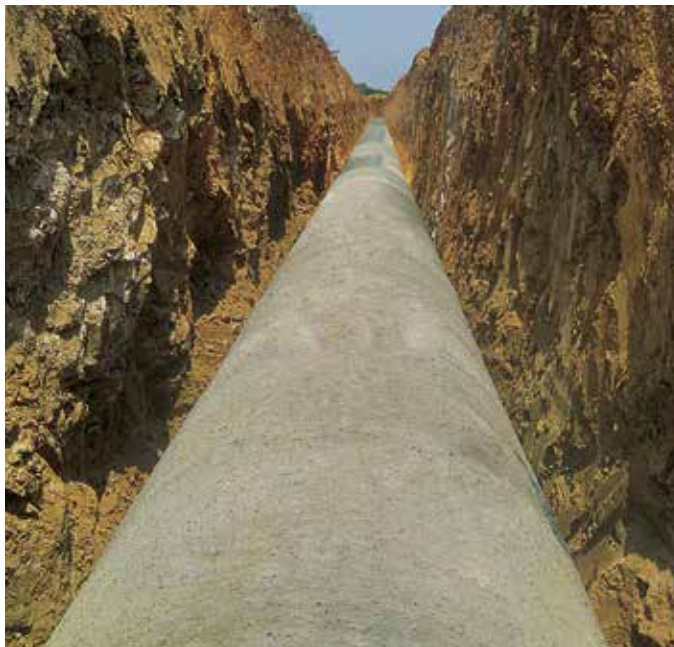
1300 mm dia PCCP pipeline laying at Chilhowadi Pipeline Project, in Maharashtra

27. Municipal Corporation Bilaspur, Chhattisgarh for Bilaspur Water Supply Scheme part-II consisting of 100 to 500 dia DI K7 pipes including 56,251 Nos. House Service connection of the value of ₹ 9,926.81 Lakhs in Chhattisgarh.
28. The PHED, Region Alwar, Rajasthan, for Urban Water Supply Scheme Alwar and Bhiwadi Dist, Alwar consisting of DI K7 pipes and HDPE Pipes including 12 Nos OHSR, 05 Nos CWRS, 09 Nos Pump Rooms 61 Nos Tube Wells SCADA etc of the value of ₹ 9,868.11 Lakhs.
29. Kherva-Visnagar LIS project of Gujarat Irrigation Department in Gujarat for the work of Engineering, Procurement and Construction (EPC) Contract for Lift Irrigation M.S. pipeline project for transmission of 100 cusecs of water from Sujalam Sufalam Spreading Canal (kherva to Singhoda Pomd (Visnagar) consisting of 711 to 1520 mm dia MS pipes and 315 mm dia HDPE pipes including pump house and other civil works of the value of ₹ 9,733.08 Lakhs in Gujarat.



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30. Municipal Corporation, Bhilai for Water Supply Scheme to Bhilai for Distribution Network for Bhilai Municipal Corporation consisting of DI Pipes of the value of ₹ 9,540.15 Lakhs in Chhattisgarh.
31. S4B for manufacture, supply, laying, jointing & testing of RCC NP3 class pipes from 400 to 1400 mm dia for 19,380.50 Mtrs, DWC SN8 Pipes of 450 mm dia and 600 mm dia for length of 2,319.50 Mtrs and 586 mtrs length of 900 to 1800 mm dia MS pipes of the value of ₹ 9,485.85 Lakhs for Bangalore Water Supply & Sewerage Board, Bengaluru in Karnataka.
32. S4D for manufacture, supply, laying, jointing & testing of RCC NP3 class pipes from 900 to 1800 mm dia for 12,415 Mtrs and MS Casing Pipes of 1800 mm, 2000 mm and 2200 mm dia for length of 220 Mtrs for Trenchless works of the value of ₹ 8,650.40 Lakhs for Bangalore Water Supply & Sewerage Board, Bengaluru in Karnataka.
33. Buldhana Water Supply Scheme for RCC Design, Construction, Commissioning and Trial Run for Buldhana & 4 Village Water Supply Scheme. The Project comprises of PCC pipeline of 600 to 800 mm dia for 27.18 km of the value of ₹ 8,057.13 Lakhs for Maharashtra Jeevan Pradhikaran, Maharashtra.
34. Gujarat Water Supply Sewerage Board, Dahod, Gujarat for the work of Designing, Constructing, Testing and Commissioning of Intake well cum pump house with approach bridge including all allied works, Water Treatment Plant(WTP), Reinforced Cement Concrete Underground Sumps/ HGLR, Reinforced Cement Concrete Elevated Storage Reservoirs, Staff Quarters, Pump House, Compound wall, Approach Road, Providing, Lowering, Laying, Jointing, Testing and Commissioning of Ductile Iron pipes, unplasticised Polyvinyl Chloride pipes for Filtered Water Mains including Supply, Installation, Testing and Commissioning (SITC) of Pumping Machinery and all allied works for Narmada River Basin for Package-6 of the value of ₹ 7,867.46 Lakhs in Gujarat.
35. Irrigation Project Division, Nagpur for the work of construction of M. S. Feeder Pipeline from Kochi Barrage to Pench RBC (28.86 Kms), Head Regulator, Delivery Chamber, Reconstruction of Road and allied works of Kanhan River Project (Kochi Barrage) consisting of 2000 mm dia M S Pipes for 14,390 mtrs of the value of ₹ 7,485.22 Lakhs in Maharashtra.
36. S2D(a) for manufacture, supply, laying, jointing & testing of Pre stressed Concrete Cylinder (PCCP) Pipes of 1800 mm dia for length of 5,315 Mtrs of the value of ₹ 7,039.86 Lakhs for Bangalore Water Supply & Sewerage Board, Bengaluru in Karnataka.
37. Asolamendha Project Renovation Division No.1, Mul, Dist. Nagpur for creation of Irrigation Potential 4551.34 Ha. By Providing Irrigation facilities by Design and Construction of Pipe Distribution System on Dighori Branch Canal on Asolamendha Main Canal of Gosikhurd consisting of 700 to 1000 mm dia PCCP Pipes for 13.63 kms, 350 to 600 mm dia DI K-7 pipes for 24.48 kms and 63 to 315 mm dia PVC pipes for 507.43 kms of the value of ₹ 6,873.29 Lakhs in Maharashtra.



800 mm dia PCCP pipeline laying at Dighori Branch for Asolamendha Project, in Maharashtra

38. Providing Water Supply House Service Connections and Distribution network under AMRUT Scheme for Kurnool Municipal Corporation consisting of 110 to 400 mm dia HDPE Pipes and House Service Connections – 15,367 Nos. of the value of ₹ 5,949.86 Lakhs, Kurnool in Andhra Pradesh.
39. Asolamendha Project Renovation Division Saoli for construction of pipe distribution network on Kapsi sub branch of Asolamendha Project consisting of 63 mm to 315 mm dia PVC pipes of 367.51 Kms, 350 to 600 mm dia DI K-7 pipes of 33.44 kms and 700 to 1200 mm dia PCCP pipes of 3.29 kms and allied civil works of the value of ₹ 5,423.75 Lakhs in Maharashtra.
40. Gosikhurd Left Bank Canal Division, Wahi (Pauni), Dist. Bhandara for the work of Execution of Pauni Lift Irrigation Scheme consisting of 600 to 1400 mm dia PCC pipes for 15.735 kms, 63 to 315 mm dia PVC pipes for 59.024 kms and 350 to 600 mm dia DI Pipes for 9.63 kms and Construction of Pump House, Delivery Chambers, etc. along with allied works of the value of ₹ 5,414.28 Lakhs in Maharashtra.
41. Municipal Corporation, Tirupati Municipal Corporation under Amrut Scheme for providing Sewerage Network and Sewerage House Service Connections, Construction of 500 KLD consisting of DWC & RCC pipelines including civil work of the value of ₹ 5,297.47 Lakhs in Andhra Pradesh.
42. Municipal Council, Mandsaur, Madhya Pradesh, for Water Supply Scheme to Mandsaur consisting of DI and HDPE pipes including Intake Well of the value of ₹ 5,208.99 Lakhs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(iii) Some of the New Orders secured by the Company valued more than ₹ 5,000 Lakhs each (including operation and maintenance) during the year are:-

1. Minor Irrigation and Ground Water Development Division, Koppal, for filing of tanks in Kushtagi Taluk of Koppal district by lifting water from Kishna River for ground water development and drinking purpose Pipeline consisting of 500 to 800 mm dia BWSC, 150 to 1200 mm dia MS and 160 to 280 mm dia HDPE pipes, construction of intake channel, jack well cum pump house with Power supply including terminal bays, laying of transmission lines etc. including civil works of the value of ₹ 49,229.77 Lakhs in Karnataka.
2. Municipal Corporation Madurai, for dedicated Water Supply Scheme for Madurai Corporation from Mullai Periyar River at Lower Camp including Head works, Raw Water Pipeline Package-1 consisting of 1067 o 1118 mm dia MS pipes for 95,740 Mtrs. including Intake Well - 3 M Dia - 1 No, Collection Well Cum Pump-House and Cofferdam Arrangements – 1 No, Pipe Carrying Bridges for River Crossing – 7 nos Electro Mechanical works of the value of ₹ 31,922.70 Lakhs in Tamilnadu.
3. Public Health Engineering Department, Jaipur, Region-II, for Bisalpur-Prithviraj Nagar Water Supply Project Phase-I, Stage-I Consisting of 700 to 2300 mm dia MS, 100 to 600 mm dia DP and 110 to 200 mm dia HDPE Pipes including Clear Water Reservoir : 10 Nos (2000 KL to 36000 KL) Over Head Service Reservoir : 19 Nos (1000 KL to 2500 KL) Pumping Station with Chlorination Room:- 9 nos PLC & SCADA System of the value of ₹ 26,384.50 Lakhs in Rajasthan.
4. Public Health Engineering Department, Jaipur, Region-II, for Bisalpur Jaipur Water Supply Project Stage-II, Phase-I, including Construction of WTP having capacity of 216 MLD extendable to 360 MLD at Surajpura Construction of Pumping Station – 2 nos. Clear Water Reservoirs having capacity of 30 MLD at Renwal-2 nos. Construction of 150 KL Capacity RCC underground Sump for collection of recycled water. PLC & SCADA System at WTP and Pump Houses conducting of Surge Analysis Solar Power Generation System of the value of ₹ 15,460.35 Lakhs in Rajasthan.

(B) Bar Wrapped Steel Cylinder (BWSC) Pipes/Prestressed Concrete Cylinder Pipes (PCCP)/ Prestressed Concrete Pipes (PSC):

The BWSC and PCCP pipes introduced by the Company as an alternative pipe materials to M.S. and D.I. pipes have become popular amongst various Government authorities. The Company has undertaken / is undertaking several projects involving BWSC & PCCP pipes. To meet the demand of these pipes, the Company had specially set up manufacturing plants at Choutuppal in Telangana, Chilamathur in Andhra Pradesh, Dhule and Walwa in Maharashtra. These plants are running continuously with better productivity yields. In addition to the above the Company has also created facilities to manufacture these pipes in its existing factories at Miraj, Rajkot, Kanhan, Patancheru, Yelhanka, Thanjavur, Kekri, Sikar, Karari and Kovvur to cater to the local demands. During the year under review, these plants produced 111.82 Kms of BWSC pipes valued at ₹ 3,413.85 Lakhs, 104.04 Kms of PCCP Pipes valued at ₹ 11,524.20 Lakhs and 39.44 Kms of PSC Pipes valued at ₹ 3,424.08 Lakhs.

During the year the Company has received orders worth ₹ 8,530.86 Lakhs for BWSC pipes, orders worth ₹ 2,194.79 Lakhs for PSC pipes and orders worth ₹ 5,343.57 Lakhs for PCCP pipes along with other civil works.

(C) Railway Sleepers:

During the year the Company has received work orders of ₹ 8,924.36 Lakhs and the Company has manufactured 2,01,151 sleepers amounting to ₹ 4,104.31 Lakhs against the order(s) received from Ministry of Railways, Railway Board, New Delhi.

4. Outlook:

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

Government of India, State Governments and local bodies are making best efforts to supply safe drinking water. Hence, number of water supply schemes are under anvil.

Further to augment agricultural output, Lift Irrigation Schemes (LIS) are undertaken by various State Governments. Hence, number of LIS are under anvil.

Further to make cities and rural areas under more hygienic conditions and endeavour towards Swachha Bharat number of sewerage disposals and drainage schemes are also coming up.

Due to COVID-19 and multiple lock-downs announced by the Central Government, there are challenges and concern on short term outlook for the Company. In the wake of pandemic the Central Government has taken number of initiatives and announced the package of ₹ 20 Lakh Crore. On the part of the Company it has adopted work from home policy for its employees for their safety. Further the Company has taken step for cutting costs and conserving the funds in this uncertain times.

Barring the above factors, the long term outlook for the Company in water supply, irrigation, sewerage and drainage segments is encouraging and good. The Company will keep a close watch on the evolving scenerios and will prepare itselfs for adapting to the changing environment.

5. Risks & Concerns:

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In the year under review, due to continuation of minimum import price policy on imported steel products by Central Govt., the prices of imported steel became costly compared to local products. A decline in Rupee with respect to US Dollar caused prices of Indian Steel attractive as compared to their Global counterparts. In the first half of the year under review, due to overseas demand, there was shortage of steel products in local market resulting in surge in steel prices. In January and February, 2020, major price hike in steel products was observed.

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 2020, the revenue from operations of the Company was ₹ 1,62,362.23 Lakhs as compared to previous year revenue from operations of ₹ 1,64,552.77 Lakhs.

The profit before tax was ₹ 10,035.93 Lakhs as against ₹ 13,226.75 Lakhs achieved last year. The order book position was ₹ 5,007.79 Crores as on 20th June, 2020 as compared to ₹ 4,624.56 Crores as on 20th May, 2019.

8. Details of significant changes of 25% or more as compared to the previous financial year 2018-19 in following key financial ratios, along with detailed explanations therefor:

There are no significant changes of 25% or more in key financial ratios as compared to the previous financial year except the following.

Particulars	2019-20	2018-19	Change %
Interest Coverage Ratio *	2.31	3.47	-33%
Debt Equity Ratio *	1.17	0.91	28%

* Due to new Term Loan availed during the year and higher utilisation of Fund based limits due to slower realisation and receivables stuck up in GST reimbursement from Government.

9. Details of any change in the Return on Net Worth as compared to the previous financial year 2018-19 along with a detailed explanation thereof:

Particulars	2019-20	2018-19	Change %
Return on Net worth *	12.91	16.61	-22%

* The drop in the ratio is mainly due to reduction in net profit for the year 2019-20 on account of increase in interest cost and higher depreciation.

10. Human Resources and Industrial Relations:

The Company has 1,649 permanent employees as on 31st March, 2020 working at various locations such as Factories / Projects / Head Office and Research & Development Division.

The Management has successfully negotiated and settled the demands of workmen working at its factories at Kekri, Karari & Yelhanka.

During the year, the Company had organised Induction Training programmes at Project Offices at Bhopal, Chennai, Nagpur, Jaipur & Raipur for engineers & other staff who have joined our company. These training programmes were specially designed to apprise them about the Company's policies, products being manufactured and pipe laying activities to be carried out at project sites. Further they have been properly trained for observing safety norms as well as using the Personal Protective Equipment (PPE) at factories & project sites while attending their duties.

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

11. Cautionary Statement:

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

For and on behalf of the Board of Directors,

Rajas R. Doshi

Chairman & Managing Director

Place : Mumbai

Dated : 29th June, 2020

BOARD'S REPORT

To
THE MEMBERS,

Your Directors are pleased to present to you the Annual Report on the business operations of the Company together with the Audited Financial Statements of Accounts for the Financial Year ended 31st March, 2020.

FINANCIAL RESULTS:

(As per Ind AS)

	Year Ended 31-03-2020	Year Ended 31-03-2019
		(₹ in Lakhs)
Revenue from Operations	1,62,362.23	1,64,552.77
Profit Before Finance Cost, Depreciation & Amortisation & Tax	19,539.38	19,757.64
Less: Finance Costs	7,658.48	5,357.55
Depreciation & Amortisation	1,844.97	1,173.34
Profit Before Tax	10,035.93	13,226.75
Less: Provision for Taxation	2,695.09	4,595.51
Net Profit After Tax	7,340.84	8,631.24
Add/(Less): Other Comprehensive Income	(333.61)	5.42
Total Comprehensive Income carried out to Other Equity	7,007.23	8,636.66

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 2019-20 under review, the Revenue from Operations was ₹ 1,62,362.23 Lakhs as compared to ₹ 1,64,552.77 Lakhs of the previous year. The profit before tax for the year at ₹ 10,035.93 Lakhs as compared to ₹ 13,226.75 Lakhs of the previous year. The profit after tax for the year at ₹ 7,340.84 Lakhs as compared to ₹ 8,631.24 Lakhs of the previous year.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of the Report.

DIVIDEND:

Your Directors are pleased to recommend a Dividend of ₹ 2 per equity share of face value of ₹ 2/- each (100%) for the financial year ended 31st March, 2020 on paid-up share capital of the Company as against ₹ 3.60 per equity share of face value of ₹ 2/- each for the previous financial year ended 31st March, 2019. The curtailment of Dividend is recommended by the Board with a view to conserve the funds in this uncertain times. The Dividend, subject to the approval of the Members at the 94th Annual General Meeting convened on 4th September, 2020 will be paid on or after 8th September, 2020 to those Members whose names appear in the Register of Members as on the date of Book Closure i.e. Tuesday, 25th August, 2020. The dividend of ₹ 2/- per equity share of ₹ 2/- each will amount to ₹ 968.94 Lakhs.

TRANSFER TO RESERVES:

The Company do not propose to transfer any amount to General Reserve.

FINANCE:

Due to slowing down of economy, release of funds by various State authorities, against work done got delayed, resulting in elongation of Working Capital cycle. The Company also incurred substantial CAPEX of about ₹ 34 crores during the year for setting up new Factory at Walwa, near Sangli and incurred CAPEX of about ₹ 16 crores for modification to production facilities at Kanhan near Nagpur in Maharashtra. This necessitated the Company to increase the level of borrowing, leading to increased Finance Cost.

Elongation of working capital, reflected in Credit Rating Agency awarding A+ rating to the Company from its existing rating of A1+.

During such challenging times, the Company could maintain the liquidity position quite satisfactorily and optimum utilisation of financial resources was achieved. The Company had a cordial relationship with its Bankers and trade creditors and has been prompt in meeting its obligation towards them.

COVID-19 SITUATION & UPDATES:

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted. The Company has resumed operations in a phased manner in line with the Government directives. The Company has assessed the impact of COVID-19 on its financial statements based on the available information upto the date of approval of the financial statements as of 31st March, 2020 and the Company expects to recover the carrying amounts of its investments, trade receivables, project work in-progress and inventories. Given the uncertainties associated with its nature and duration, the actuals may differ from the estimates considered in the financial results for the year ended 31st March, 2020. The future impact on the business operations is difficult to assess at this point, as the situation is unravelling at a fast pace.



BOARD'S REPORT

INCOME TAX ASSESSMENT:

The income tax assessment of your Company has been completed till assessment year 2017-18. The appeals filed by your Company, against the assessment orders for various financial years are pending with the Income Tax Appellate Authorities and Bombay High Court. The amount of disallowance involved in various appeals is ₹ 22,306.43 Lakhs. Out of this amount the major disputed amount of ₹ 21,923.41 Lakhs pertains to claim of section 80IA regarding eligibility of deduction/exemption of profit earned from execution of infrastructure project. The balance amount of ₹ 383.02 Lakhs pertains to other items of disallowance such as section 14A disallowance, land valuation of Wadala property. However necessary provision for tax of ₹ 7,580.97 Lakhs has been already made in accounts except for the disallowance made u/s 14A, as the same disallowance has been deleted in the previous years by the First and Second Appellate Authority.

The appeal filed by the Income Tax Department is pending in the Bombay High Court for A.Y. 2003-04. The issue involved in A.Y. 2003-04 is regarding claim of deduction u/s 80IA allowed by the Income Tax Appellate Tribunal, amounting to ₹ 1,068.27 Lakhs. However due to subsequent retrospective amendment made to section 80IA by Finance Act, 2009, as an abundant caution provision for the basic tax liability of ₹ 392.59 Lakhs on the claim of ₹ 1,068.27 Lakhs has been made in the accounts.

FACTORIES:

During the year the Company has set up new factory at Walwa near Sangli, and upgraded its Kanhan factory near Nagpur in Maharashtra.

The Company has decided to permanently close down its Yelhanka factory at Bengaluru, Karnataka subject to obtaining all approvals, sanctions and permissions.

The total number of factories of the Company as at the end of the year stands at 20.

DEVELOPMENT OF LAND:

The development of the Company's lands at Hadapsar and Vadgaon Pune, SRA project at Wadala Mumbai and at Badarpur New Delhi are at initial stages of obtaining development related approvals from the various Authorities.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORTS:

The Company has implemented procedures and adopted practices in conformity with the code of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company has implemented Code of Conduct for all its Executive Directors and Senior Management Personnel, Non-Executive Non-Independent Directors and Independent Directors, who have affirmed compliance thereto. The said Codes of Conduct have been posted on the website of the Company. The Management Discussion and Analysis Report and Corporate Governance Report, appearing elsewhere in this Annual Report forms part of the Board's Report. A certificate from the Statutory Auditors of the Company certifying the compliance of conditions of Corporate Governance is also annexed hereto.

PUBLIC DEPOSITS:

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

During financial year 2019-20, an amount of ₹ 5,924.38 being unpaid/unclaimed interest on fixed deposits had been transferred to IEPF on their respective due dates. There are no unclaimed/unpaid deposits or interest lying with the Company as at 31st March, 2020.

CREDIT RATINGS:

During the year CARE Ratings Limited has reviewed and evaluated its rating for Long term Bank facilities (Term Loan) as CARE A;Stable (Single A; Outlook:Stable), Long term Bank facilities (Fund based) as CARE A; Stable (Single A; Outlook:Stable), Short term Bank Facilities (Non-fund based) as CARE A1 (A One) and Long term/Short term Bank Facilities (Non-fund based) as CARE A;Stable/CARE A1 (Single A; Outlook:Stable / A One).

The details of Credit Ratings reviewed during the year by CARE Ratings Ltd. are uploaded on website of the Company at www.indianhumepipe.com

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements for the year ended 31st March, 2020.

CORPORATE SOCIAL RESPONSIBILITY:

The Corporate Social Responsibility (CSR) Policy of the Company and the CSR programs/activities undertaken during the financial year 2019-20 are set out in "Annexure A" and forms part of the Board's Report. For other details of the CSR Committee, please refer to Corporate Governance Report which forms part of this report. The policy is available on the website of the Company www.indianhumepipe.com

In accordance with Section 135 of the Companies Act 2013, Rules thereunder and Schedule VII the Company has incurred total CSR expenditure of ₹ 2,80,85,000/- for the financial year 2019-20 by way of corpus donation of ₹ 2,70,85,000/- to Ratanchand Hirachand Foundation, the Implementing Agency which had carried out CSR activities on behalf of Company. In addition, the Company has given donation of ₹ 10 Lakhs to Swachh Bharat Kosh set up by the Central Government as set out in Annexure A.

DONATIONS:

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

- i) Rotary Foundation ₹ 6.90 Lakhs a Charitable Organization
- ii) Chief Minister's Relief Fund of Madhya Pradesh State Government ₹ 10 Lakhs

RISK MANAGEMENT:

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

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company has an Internal Audit Department headed by General Manager, Internal Audit. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function,

BOARD'S REPORT

the Management undertake corrective action in their respective areas and thereby strengthen the controls.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS:

The Company has in place adequate internal financial controls with reference to the Financial Statements to provide reasonable assurances with regard to recording and providing financial information complying with the applicable accounting standards.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 149 of the Act, all the Independent Directors of the Company have submitted a declaration that each of them meets the criteria of independence as per provisions of the Companies Act, 2013, rules thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and there has been no change in the circumstances which may affect their status as an Independent Directors during the year. In the opinion of the Board of Directors, all the Independent Directors fulfil the criteria of independence as provided under the Act, rules made thereunder and the Listing Regulations and that they are independent of the management.

Pursuant to the provisions of the Act and the rules and based on the recommendation of Nomination and Remuneration Committee, the Board has appointed Ms. Sucheta N. Shah (DIN: 00322403), as an Independent Director of the Company for a period of three years from 12th February 2020 to 11th February, 2023 subject to the approval of the Members at the ensuing 94th Annual General Meeting of the Company. In terms of section 161 of the Act she holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a Member proposing her candidature for the office of Director. Ms. Shah will not be liable to retire by rotation.

Ms. Anima B. Kapadia, Non-Executive Director of the Company, retires by rotation at the ensuing 94th Annual General Meeting and offers herself for re-appointment. Brief resume and other details as required under the Act and the Listing Regulations for her re-appointment as Director are provided in the Notes to the Notice of 94th Annual General Meeting of the Company.

Mr. P. D. Kelkar, Independent Director passed away on 15th September, 2019. During the year Mr. N. Balakrishnan, Independent Director of the Company ceased as an Independent Director on completion of his term on 15th March, 2020. The Board places on record their appreciation of services rendered by late Mr. P. D. Kelkar and Mr. N. Balakrishnan during their tenure.

Details of the proposal for appointment/re-appointment of directors are given in the Notice of AGM and Explanatory Statement u/s 102 of the Companies Act, 2013.

During the year there is no change in Key Managerial Personnel (KMP) of the Company. In terms of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Rajas R. Doshi, Chairman and Managing Director, Mr. Mayur R. Doshi, Executive Director, Mr. M. S. Rajadhyaksha, Chief Financial Officer and Mr. S. M. Mandke, Company Secretary.

None of the Directors and Key Managerial Personnel of the Company has any pecuniary relationships or transactions with the Company, other than salary, commission, sitting fees, reimbursement expenses incurred by them for attending the meetings of the Company and in case of Ms. Anima B. Kapadia, Non-Executive, Non-Independent Director of the Company and Sole Proprietor of M/s. Daphtary Ferreira and Divan, Solicitor and Advocate of the Company, the payment of professional fees to her in the capacity as Advocate and Solicitor.

Remuneration and other details of the KMP of the Company for the financial year ended 31st March, 2020 are provided in the Extract of the Annual Return forming part of this report.

BOARD COMMITTEES:

The Board of Directors of your Company had constituted various Committees and approved their terms of reference/role in compliance with the provisions of the Companies Act, 2013 and Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Risk Management Committee.

The composition of the Audit Committee as given in the Corporate Governance Report is in accordance with Section 177 of the Companies Act, 2013, Rules thereunder and Listing Regulations. The members of the Audit Committee are financial literate and have experience in financial management. All the recommendations made by the Audit Committee have been accepted by the Board of Directors.

PERFORMANCE EVALUATION:

Pursuant to the provisions of Section 134(3)(p), 149(8), Schedule IV of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the circular dated 5th January, 2017 issued by SEBI with respect to Guidance Note on Board Evaluation, annual performance evaluation of the Board as well as of the Committees of the Board and individual Directors have been carried out by the Board.

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

INDEPENDENT DIRECTORS' MEETING:

In terms of Section 149, Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Independent Directors met on 13th March 2020 without the attendance of Non-Independent Directors and Members of Management of the Company and reviewed the:

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



BOARD'S REPORT

All the Independent Directors except Mr. N. Balakrishnan were present at the meeting.

FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS:

In compliance with the requirements of SEBI (LODR) Regulations 2015, the Company has put in place a familiarization program for Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the operations of the Company, business overview etc.

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

REMUNERATION POLICY:

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

NUMBER OF MEETINGS:

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

During the year five Board Meetings and five Audit Committee meetings were held as under :

29th May, 2019, 14th June, 2019, 12th August, 2019, 13th November, 2019 and 12th February, 2020.

The Composition of Audit Committee is as under:

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

* Ceased on re-constitution of Committee w.e.f. 29th May, 2019

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 have been followed along with proper explanation relating to material departures, if any.
- appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year ended on that date;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

STATUTORY AUDITORS:

The Auditors' Report to the Members on the Financial Statements of the Company for the financial year ended 31st March, 2020 is a part of the Annual Report. The Auditors Report for the financial year 31st March, 2020 does not contain any qualification, reservation or adverse remark. During the financial year 2019-20 the Auditors had not reported any matter u/s 143 (12) of the Act, therefore no details are required to be disclosed u/s 134 (3) (ca) of the Act.

The Members of the Company had at the 91st AGM held on 10th July, 2017 appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, bearing ICAI Firm Registration No.117366W/W-100018, as Statutory Auditors of the Company to hold office from the conclusion of 91st Annual General Meeting (AGM) till the conclusion of 96th Annual General Meeting (subject to ratification of the appointment by the Members at every AGM held after the aforesaid AGM, if so required under the Act). The requirement to place the matter relating to such appointment for ratification by Members at every Annual General Meeting had been omitted with effect from 7th May, 2018.

COST AUDITOR:

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014 and in pursuance of the recommendation of the Audit Committee, the Board of Directors have appointed Mr. Vikas Vinayak Deodhar, Cost Accountant, Mumbai, Membership No.3813 as Cost Auditor of the Company for the financial year 2020-21 to conduct the audit of the cost records of applicable products of the Company on a remuneration of ₹ 1,20,000/- in addition payment of GST as applicable and reimbursement of out of pocket expenses and/or travelling expenses as may be incurred by him, subject to ratification and confirmation of remuneration by the Shareholders at the ensuing AGM. The Company has received written consent from the Cost Auditor stating that the appointment will be in accordance with the applicable provisions of the Act and the Rules thereunder.

During the financial year 2019-20 the Cost Auditor had not reported any matter u/s 143(12) of the Act, therefore no details are required to be disclosed u/s 134(3) (ca) of the Act.

SECRETARIAL AUDITORS AND SECRETARIAL STANDARDS:

Secretarial Audit for the financial year 2019-20 was conducted by M/s. JHR & Associates, Company Secretaries, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Report of the Secretarial Auditors is annexed as "Annexure C".

BOARD'S REPORT

The Board of Directors has appointed M/s. JHR & Associates, Company Secretaries as the Secretarial Auditors to conduct Audit of secretarial records of the Company for the financial year 2020-21. The Company has received written consent from them stating that the appointment will be in accordance with the applicable provisions of the Act and the Rules thereunder.

During the financial year 2019-20 the Secretarial Auditors had not reported any matter u/s 143(12) of the Act, therefore no details are required to be disclosed u/s 134(3) (ca) of the Act.

In accordance with SEBI Circular No.CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has obtained, Annual Secretarial Compliance Report from the Practicing Company Secretaries and submitted the same to the Stock Exchanges.

During the year 2019-20, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

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

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

RELATED PARTY TRANSACTIONS:

The Company has formulated a policy on Related Party Transactions, which is uploaded on the Company's website. The policy deals with review and approval of related party transactions. The Board of Directors have approved the criteria for making the omnibus approval by the Audit Committee within the overall frame work of the policy on related party transactions. Omnibus approval is obtained for related party transactions, which are of repetitive nature and in the ordinary course of business and on an arm's length basis.

All related party transactions are placed before the Audit Committee for review and approval. Mr. Rajas R. Doshi, Chairman and Managing Director and Mr. Mayur R. Doshi, Executive Director are having credit balances of ₹ 0.99 Lakhs and ₹ 0.50 Lakhs respectively as of 31st March, 2020 with the Company in current account.

There are no transactions with related parties to be reported in Form AOC-2. All the related party transactions entered into during the year under review were in the ordinary course of business and on an arm's length basis. There are no material related party transactions entered into during the financial year 2019-20 by the Company.

The disclosure of transactions including with related party belonging to the Promoter/Promoter Group which holds 10% or more shareholding in the Company as per format prescribed in the Accounting Standards for annual results is given in note No. 2.33 to the Notes to Accounts.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return as on 31st March, 2020 in Form MGT-9 is annexed herewith as "Annexure E" and also available on the website of the Company at link http://www.indianhumepipe.com/portals/0/images/pdf/annual_report/AnnexF1920.pdf

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Section 197 of the Act is attached as "Annexure F".

INDUSTRIAL RELATIONS:

The Company is having total strength of 1,649 permanent employees as on 31st March, 2020 working at various locations such as Factories / Projects/ Project Offices/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.

PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:

During the financial year under review, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act. As per the provisions of the Act the Company has formed Internal Complaints Committees to redress the grievances of women employees under the Act.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the year under review, the Company has transferred ₹ 5,31,522/- of unclaimed dividend for the financial year 2011-12 to IEPF Authority. In terms of Section 124(6) and IEPF Rules, 2016 of the Companies Act, 2013, the Company has transferred 45,433 equity shares to IEPF Authority of those shareholders who did not claim dividend for seven consecutive years.

Further unclaimed interest of ₹ 5924.38 of matured fixed deposits which were not claimed by the fixed deposit holders for a period of seven years from the date they became due for payment were also transferred to Investor Education and Protection Fund, during financial year 2019-20 in accordance with the provisions of the Companies Act, 2013 and Rules thereunder.

NODAL OFFICER:

The Company has appointed Mr. S.M. Mandke, Company Secretary as the Nodal Officer for the purpose of verification of claims filed with the Company in terms of IEPF Rules and for co-ordination with the IEPF Authority. The said details are also available on the website of the Company www.indianhumepipe.com

SHARE CAPITAL:

The paid up Equity Share Capital as at 31st March, 2020 stood at ₹ 968.94 lakhs. During the year under review, the Company did not issue any Equity Shares and there has been no change in the capital structure of the Company.

GENERAL:

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company. The Company does not have ESOS/ESOP Scheme for its employees/Directors.



BOARD'S REPORT

3. No fraud has been reported by the auditors to the Audit Committee or the Board.
4. The Company does not have any scheme or provision of money for the purchase of its own shares by employees / Directors or by trustees for the benefit of the employees or Directors.

BUSINESS RESPONSIBILITY REPORT:

Business Responsibility Report for the financial year 2019-20 describing the initiatives taken by the Company from an environmental, social and governance perspective, as required in terms of Regulation 34(2)(f) of SEBI Listing Regulations, separately forms part of this Annual Report.

ACKNOWLEDGEMENTS:

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

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

Wishing you all good health, wealth and prosperity.

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

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

Date : 29th June, 2020

ANNEXURE TO THE BOARD'S REPORT

Annexure A to the Board's Report

CSR POLICY

Introduction:-

- A. In line with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Schedule VII to the Act, the Company has formulated its Corporate Social Responsibility Policy (CSR Policy) for continuing its charitable activities. The Company undertakes its CSR activities, programmes etc. through Ratanchand Hirachand Foundation (the Foundation) and /or any other Trust/ Section 8 Company and/ or on its own. The Company's CSR activities are independent of the normal conduct of its business. The CSR programs, projects and activities to be carried out in this regard by the Company through Ratanchand Hirachand Foundation and / or any other Trust / Section 8 Company and / or on its own are enumerated as under:
- B.
1. Providing educational grant / aid to needy students and institutions, funding salaries of teachers, medical aid to the patients as well as to Hospitals, Charitable Trusts, Institutions, NGOs and donations of costly medical equipment's to Municipal/Public Hospitals across the country.
 2. Promoting education including special education and employment enhancement, vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects.
 3. Promoting preventive health care, safe drinking water, sanitation etc.
 4. Ensuring environmental sustainability, ecological balance and conservation of natural resources, use of solar energy, rain water harvesting etc.
 5. Undertaking all other activities, projects and programs as per Section 135, Companies (CSR) Rules, 2014 and the Schedule VII of the Act as amended from time to time.
- The CSR Committee and the Board of Directors will monitor the programs / projects and activities undertaken through the above Foundation on behalf of the Company and / or on its own. Further the surplus arising out of the CSR programs or projects or activities shall not form part of the business profit of the Company.
- C.
1. The CSR activities does not include the activities undertaken in pursuance of normal course of business of the Company.
 2. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
 3. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.
 4. Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

D. Expenditure:-

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

E. Reporting:-

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

F. Management Commitment:-

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

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

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

FORMAT OF REPORTING OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

Focus Areas:

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

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

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

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



ANNEXURE TO THE BOARD'S REPORT

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

http://indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/CSRPolicyR.pdf

2. Composition of the CSR Committee:

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

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

Mr. Rameshwar D. Sarada, Independent Director - Member

3. Average Net Profit of the Company for last three financial years:

Average Net Profit : ₹ 13,542.18 Lakhs.

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

The Company is required to spend ₹ 2,70,84,363/- towards CSR programs/activities.

5. Details of CSR expenditure incurred during the financial year ended 31st March, 2020:

a. Total amount spent by the Company during the financial year: During the financial year 2019-20 the Company had incurred total CSR Expenditure of ₹ 2,80,85,000/- including excess CSR expenditure incurred of ₹ 10,00,000/-.

b. Amount unspent, if any: Nil

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

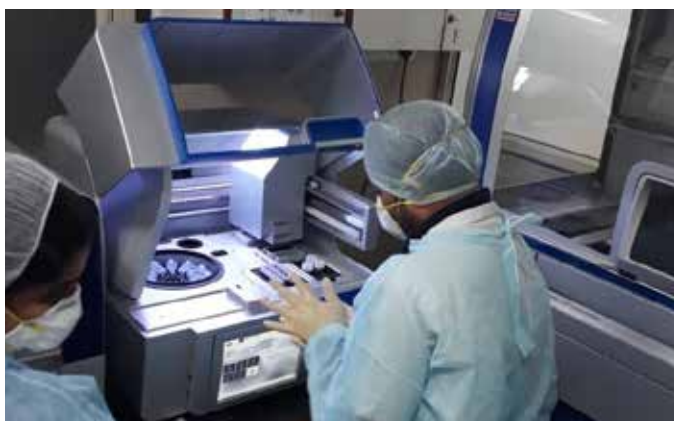
Corporate Social Responsibility (CSR) Activities:

During the year the Company has given corpus donation of ₹ 2,70,85,000/- to Ratanchand Hirachand Foundation (RHF), the Implementing Agency which is 2% of average net profit of the Company in terms of Section 135 and the rules thereunder of the Companies Act, 2013 to carry out CSR activities and incur CSR expenditure for and on behalf of the Company in terms of Company's CSR Policy.

In addition, the Company has given donation of ₹ 10,00,000/- to Swachh Bharat Kosh set-up by the Central Govt. for the promotion of sanitation which is over and above the minimum prescribed amount of ₹ 2,70,85,000/- already incurred by the Company towards CSR expenditure for the Financial Year 2019-20.

RHF had carried out following charitable activities and incurred CSR expenditure during the year 2019-20.

1. Donated reagent cost for RNA extraction kits viz 21 Nos. QIAsymphony DSP Virsul Pathogen Mini Kit (192), 10 Nos. Sample Cartridge (336), 3 Nos. Rod Cover (144), 4 Nos. Filter Tips 200 (1024), 16 Nos. Filter Tips 1500 (1024), 2 Nos. Elution Microtube CL, 8 Nos. Tubes, conical, 2 ml, Qsym to the Department of Microbiology Grant Government Medical College & Sir J J Group of Hospitals, Mumbai at a total cost of ₹ 20,93,257 which will test 4000 patients suspected of COVID-19.



RNA extraction being done at J.J. Hospital Covid-19 Laboratory, Mumbai

2. Donated ₹ 11,83,212/- towards funding of salary of 2 Therapist at Society for Rehabilitation of Crippled Children Citi Academy for Special Education, Therapy Department, Mumbai.
3. Donated ₹ 11,36,000/- to Rotary Club of Bombay for 16 Nos. Paediatric Heart Surgeries @ ₹ 71,000/- per surgery.
4. Donated 1 No. 'State-of-the-art video conferencing system' consisting of 1 No. LG make 86" Ultra HD Digital Signage commercial display, 1 No. Logitech Rally System Plus, One-time installation with heavy duty customized wall mount and installation and configuration for VC systems, Lan Networking & electrical work, etc. installed in Cardiology Seminar Room at K.E.M. Hospital, Parel, Mumbai at a total cost ₹ 8,27,495/-.



State-of-the-art video conferencing system installed at K E M. Hospital, Parel, Mumbai

ANNEXURE TO THE BOARD'S REPORT

5. Funded ₹ 5,80,800/- towards salary to 'Advocacy Officer' at Tata Memorial Hospital in the Department of Palliative Medicine at Parel, Mumbai.
6. Donated an amount of ₹ 3,60,000/- to Vision Foundation of India, Mumbai towards the sponsorship of 200 Nos. eye surgeries for the poor and needy people.
7. Donated Auto Reprometer to Municipal Corporation Hospital, Navi Mumbai costing ₹ 2,95,000/-.
8. ₹ 1,32,000/- towards funding of twelve months salary of the nurse working in Human Milk Bank in Lokmanya Tilak Municipal General Hospital, Sion, Mumbai.

Similarly, RHF has given donations to:

- (a) Bai Jerbai Wadia Children's Hospital, Mumbai for their Urban Project 'SWAYAM' for sponsoring a Learning Disability, Testing, Treating and Parental Counselling Centre for children's to cater their psychological needs in collaboration with Inner Wheel District 314 – ₹ 5,00,000/-.
- (b) Society for Rehabilitation of Crippled Children Citi Academy for Special Education, Therapy Department, Mumbai towards

education expenses of two child's for one year under their scheme "Sponsor a Child" (₹ 1,14,000/- per child) – ₹ 2,28,000/-

- (c) Kushtarog Niwaran Samiti, Shantivan for its "Help a Child Programme" for Adivasi Ashram School, Panvel towards 50% amount of education expenses for 50 students @ ₹ 2,500/- per student to provide them with wholesome food, books, stationery, uniforms and bed sheets linen etc. – ₹ 1,25,000/-.
- (d) Educational aid to 5 students (₹ 25,000/- each) – ₹ 1,25,000/-.
- (e) The Central Society for the Education of the Deaf, Agripada, Mumbai towards financial help for free distribution of batteries for hearing aids used by Deaf Children whose parents are not able to bear the cost of batteries – ₹ 30,000/-.

Thus during financial year 2019-20, RHF had donated / incurred CSR expenditure of ₹ 76,15,764/- out of the income generated on the corpus fund donated by the Company towards CSR expenditure on behalf of the Company.

In all during the financial year 2019-20, the Company had spent total CSR Expenditure of ₹ 2,80,85,000/- out of which an amount of ₹ 10,00,000/- was excess CSR expenditure during financial year 2019-20.

Manner in which the amount spent during the financial year ended 31st March, 2020 is detailed below.

Sr. No.	CSR Project or activity Identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub- heads 1) Direct expenditure on projects or programs 2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent : Direct or through the Implementing Agency	
							Direct (₹)	Through Implementing Agency * (RHF) (₹)
1.	Health, Medical Aid, Education Aid / facilities / support	Medical aid / Health - Cataract Eye surgeries	As stated above	2,70,85,000/-	2,70,85,000/-	2,70,85,000/-	-	2,70,85,000/-
		Education facilities/ support			Overheads: Nil	-	-	-
2.	Promotion of sanitation	Swachh Bharat Kosh set-up by the Central Govt.	As stated above	10,00,000/-	10,00,000/-	10,00,000/-	10,00,000/-	-
TOTAL (₹)					2,80,85,000/-	2,80,85,000/-	10,00,000/-	2,70,85,000/-

In case the Company has failed to spend 2% of the average net profit of the last three financial years, or any part thereof, the Company shall provide the reasons for not spending the amounts in its Board Report: **Not Applicable.**

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

RAJAS R. DOSHI

Chairman & Managing Director & Chairman
of the CSR Committee

Registered Office:

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

Date : 29th June, 2020



ANNEXURE TO THE BOARD'S REPORT

ANNEXURE 'B' TO BOARD'S REPORT

Remuneration Policy of the Company

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

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

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

* Ceased to be Chairman of the committee upon completion of his term on 15-03- 2020.

** Appointed as Chairman of the Committee w.e.f.16-03-2020.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules.

II. OBJECTIVE

The key objectives of the Committee would be:

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

III. DEFINITIONS

- "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- "Board" means Board of Directors of the Company.
- "Company" means "The Indian Hume Pipe Company Limited."
- "Directors" mean Directors of the Company.

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

IV. INTERPRETATION

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

V. GUIDING PRINCIPLES

The Policy ensures that

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

VI. ROLE OF THE COMMITTEE

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;

ANNEXURE TO THE BOARD'S REPORT

- c) Devising a policy on diversity of board of directors;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- g) specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

VII. MEMBERSHIP

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

VIII. CHAIRMAN

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

IX. FREQUENCY OF MEETINGS

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

X. COMMITTEE MEMBERS' INTERESTS

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

XI. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

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

Appointment criteria and qualifications:

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

Term / Tenure:

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

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

2. Independent Director:

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

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

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

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed



ANNEXURE TO THE BOARD'S REPORT

companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

Evaluation:

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

Removal:

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

Retirement:

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

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

General:

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

Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay:
Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission:

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

2. Sitting Fees:

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

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

3. Limit of Remuneration / Commission:

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

XIV. MINUTES OF COMMITTEE MEETING

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

XV. DEVIATIONS FROM THIS POLICY

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

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE 'C' TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

The Members,
The Indian Hume Pipe Company Limited
Construction House, Walchand Hirachand Marg,
Ballard Estate, Fort, Mumbai -400 001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable to the Company during audit period)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;**(Not applicable to the Company during audit period)**
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not applicable to the Company during audit period)**.

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not applicable to the Company during audit period)**.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;**(Not applicable to the Company during audit period)**
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- j. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during audit period)**
- k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

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

During the period under review, barring minor delay occurred in filing MSME-I form for half year ended 31st March, 2019 and IEPF-2 for appointment of Dy. Nodal Officer, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, etc. mentioned above.

We further report that: -

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

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

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

For **JHR & Associates**
Company Secretaries
J.H.Ranade
(Partner)

Place : Thane
Date : 29th June, 2020
UDIN : F004317B000394542

FCS:4317, CP:2520



ANNEXURE TO THE BOARD'S REPORT

ANNEXURE 'C' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020 (Appointment and Remuneration Personnel) Rules, 2014

The Members,
The Indian Hume Pipe Company Limited
Construction House, Walchand Hirachand Marg,
Ballard Estate, Fort, Mumbai 400 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **JHR & Associates**
Company Secretaries
J.H.Ranade
(Partner)
FCS:4317, CP:2520

Place : Thane
Date : 29th June, 2020

ANNEXURE 'D' TO BOARD'S REPORT

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

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

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

(A) Conservation of Energy:

(i) The steps taken or impact on conservation of energy:-

- ❖ Installation of Spiral welding machine at Kanhan and Walwa factories, in Maharashtra.
 - Energy saving substantially (Approximate 50%)
 - Installed APFC panel board at Kanhan and Walwa factories, in Maharashtra.

- Avoids power factor penalty
- Reduces maximum Demand
- Increases system capacity and reducing the losses
- Improve the System Voltages
- Energy Saving (Approximate 50%)
- Installed LED lights at factories in Kanhan, Walwa, Chilamathur, Kekri and Dhule factory
- Energy saving
- Installed 500 KVA high efficiency Level-II OLTC Distribution transformer at Walwa factory
- Voltage regulation
- Reducing No load Losses and Full load losses.

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

- Installed solar street lights at Walwa factory.
- Solar Street lights are being used in Dhule factory.

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

• Installation of APFC Panel Board	₹ 7,43,400/-
• Installation of LED lamps	₹ 1,10,000/-
• Installation of Solar Lights	₹ 13,02,543/-
• Installation of 500 KVA OLTC Transformer	₹ 10,76,160/-
Total –	₹ 32,32,103/-

(B) TECHNOLOGY ABSORPTION:-

(i) The efforts made towards technology absorption:-

- Imported and erected spirally welded thin sheet cylinder fabrication machine at Kanhan and Walwa factories. With this installation the quality and production of cylinder has been improved at both the factories.
- Imported and erected Expander machine for expansion of various size joint rings at Kanhan factory.
- Imported and erected Rolling machine for rolling double groove imported flats at Kanhan factory.
- Imported and erected edger machine for giving shape to double groove joint rings at at Kanhan factory.

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

- Automation in core batching plant is carried out at Kanhan factory to improve the Quality and Productivity.
- Up-gradation of Kanhan factory (Maharashtra) is completed to manufacture PSC, PCCP, BWSC and Steel pipe for larger pipe diameter.
- Erection of new Plant at Walwa factory (Maharashtra) is under progress to manufacture PSC, PCCP, BWSC and Steel pipe for larger pipe diameter.
- Installation of Hydraulic Cylinders arrangements for fitting of Pipes on coating lathes to reduce human efforts.
- Shifting of Expander machine from Sikar to Kekri factory.

ANNEXURE TO THE BOARD'S REPORT

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information may be furnished.

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------|
| <p>a. the details of technology imported;</p> <p>b. the year of import;</p> <p>c. whether the technology has been fully absorbed;</p> <p>d. if not fully absorbed, areas where absorption has not taken place and the reasons thereof</p> | } | N.A. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------|

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

The total expenditure on Research & Development during the year was ₹ 386.73 Lakhs (0.24% of the turnover) as compared to ₹ 365.57 Lakhs (0.22% of the turnover) of previous year.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:-

- | | |
|------------|------------------|
| • Earnings | : ₹ Nil |
| • Outgo | : ₹ 148.56 Lakhs |

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Place : Mumbai
Date : 29th June, 2020

ANNEXURE 'E' TO BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

CIN	: L51500MH1926PLC001255
Registration Date	: 20 th July, 1926
Name of the Company	: The Indian Hume Pipe Company Limited
Category / Sub-Category of the Company	: Public Company having Share Capital
Address of the Registered office and contact details	: Construction House, 2 nd Floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai – 400 001 Tel No.: 022-22618091 / 92, 40748181 Fax No.:022-22656863 email : info@indianhumpipe.com Website : www.indianhumpipe.com
Whether listed Company	: Yes (a) BSE Ltd.: Scrip code: 504741 (b) The National Stock Exchange of India Ltd.: Symbol: INDIANHUME
Name, Address and Contact details of Registrar and Transfer Agent, (RTA)	: M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. Tel. No. 022-49186270 Fax No. 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main product / services	NIC Code of the Products/ service	% to total turnover of the company
1.	Construction and maintenance of projects relating to water supply, irrigation, sanitation and sewerage systems and pipe manufacturing.	42204, 42205, 23955, 24311	99.81



ANNEXURE TO THE BOARD'S REPORT

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 1 st April, 2019				No. of Shares held at the end of the year as on 31 st March, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	894550	-	894550	1.84	894550	-	894550	1.84	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	32806480	-	32806480	67.72	32806480	-	32806480	67.72	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	33701030	-	33701030	69.56	33701030	-	33701030	69.56	-
(2) Foreign									
a) NRIs-Individuals	173740	-	173740	0.36	173740	-	173740	0.36	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	173740	-	173740	0.36	173740	-	173740	0.36	-
(A)(2): Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	33874770	-	33874770	69.92	33874770	-	33874770	69.92	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1978126	-	1978126	4.08	1483745	-	1483745	3.06	-1.02
b) Alternate Investment Funds	178050	-	178050	0.37	174932	-	174932	0.36	-0.01
c) Foreign Portfolio Investors	179422	-	179422	0.37	195109	-	195109	0.40	0.03
d) Financial Institutions/ Banks	126068	19830	145898	0.30	102889	13830	116719	0.24	-0.06
e) Central Govt.	-	-	-	-	-	-	-	-	-
f) State Govt(s)	-	-	-	-	-	-	-	-	-
g) Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Insurance Companies	-	-	-	-	-	-	-	-	-
i) FIs	-	-	-	-	-	-	-	-	-
j) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
k) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	2461666	19830	2481496	5.12	1956675	13830	1970505	4.07	-1.05

ANNEXURE TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year as on 1 st April, 2019				No. of Shares held at the end of the year as on 31 st March, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a) Individuals									
i) Individuals Shareholders holding nominal Share Capital upto ₹ 2 lakh	8405248	753680	9158928	18.90	8846103	612540	9458643	19.52	0.62
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	141011	-	141011	0.29	147011	-	147011	0.30	0.01
(b) NBFCs Registered with RBI	5410	-	5410	0.01	-	-	-	-	-0.01
(c) Any Other (specify)									
i) IEPF	277753	-	277753	0.57	323186	-	323186	0.67	0.10
ii) Trusts	10600	3830	14430	0.03	12724	-	12724	0.03	-
iii) Hindu Undivided Family	465369	-	465369	0.96	503636	-	503636	1.04	0.08
iv) Other Directors	4974	2660	7634	0.02	6380	1000	7380	0.02	-
v) NRI	374034	-	374034	0.77	448896	-	448896	0.93	0.16
vi) Unclaimed Shares	-	-	-	-	-	60015	60015	0.12	0.12
vii) Foreign Portfolio Investor (Individual)	-	-	-	-	1000	-	1000	-	-
viii) Clearing Member	50894	-	50894	0.11	51695	-	51695	0.11	-
ix) Bodies Corporate	1584631	10810	1595441	3.29	1576899	10810	1587709	3.28	-0.01
Sub-Total(B) (2) :-	11319924	770980	12090904	24.96	11917530	684365	12601895	26.01	1.08
Total Public Shareholding (B) = (B1 + B2)	13781590	790810	14572400	30.08	13874205	698195	14572400	30.08	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	47656360	790810	48447170	100.00	47748975	698195	48447170	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 1 st April, 2019			Shareholding at the end of the year as on 31 st March, 2020			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	M/s. IHP Finvest Ltd	31934160	65.92	--	31934160	65.92	--	--
2.	M/s. Ratanchand Investment Pvt. Ltd.	872320	1.80	--	872320	1.80	--	--
3.	Mr. Rajas R. Doshi*	409150	0.84	--	409150	0.84	--	--
4.	Ms. Jyoti R. Doshi	313330	0.65	--	313330	0.65	--	--
5.	Mr. Aditya R. Doshi	173740	0.36	--	173740	0.36	--	--
6.	Mr. Mayur R. Doshi	172070	0.36	--	172070	0.36	--	--
	Total	33874770	69.92	--	33874770	69.92	--	--

* Includes shares held Individually, Karta - HUF and Trustee of Walchand Trust.



ANNEXURE TO THE BOARD'S REPORT

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 1 st April, 2019		Cumulative Shareholding during the year as on 31 st March, 2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	M/s. IHP Finvest Ltd	31934160	65.92	31934160	65.92
2.	M/s. Ratanchand Investment Pvt. Ltd.	872320	1.80	872320	1.80
3.	Mr. Rajas R. Doshi*	409150	0.84	409150	0.84
4.	Ms. Jyoti R. Doshi	313330	0.65	313330	0.65
5.	Mr. Aditya R. Doshi	173740	0.36	173740	0.36
6.	Mr. Mayur R. Doshi	172070	0.36	172070	0.36
7.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL			
8.	At the end of the year	33874770	69.92	33874770	69.92

* Includes shares held Individually, Karta - HUF and Trustee of Walchand Trust.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04. 2019		Transactions during the year		Cumulative Shareholding during the year - 01.04.2019 to 31.03.2020	
		No. of Shares held	%	Date of Transaction	No. of Shares	No. of Shares held	%
1.	L&T Mutual Fund Trustee Ltd-Business Cycles Fund	1978126	4.08			1978126	4.08
	Transfer			19 Apr 2019	(4931)	1973195	4.07
	Transfer			26 Apr 2019	(19682)	1953513	4.03
	Transfer			03 May 2019	(17571)	1935942	4.00
	Transfer			24 May 2019	(884)	1935058	3.99
	Transfer			31 May 2019	(130845)	1804213	3.72
	Transfer			07 Jun 2019	(14490)	1789723	3.69
	Transfer			14 Jun 2019	(20627)	1769096	3.65
	Transfer			21 Jun 2019	(53945)	1715151	3.54
	Transfer			29 Jun 2019	(255509)	1459642	3.01
	Transfer			05 Jul 2019	189061	1648703	3.40
	Transfer			02 Aug 2019	(8289)	1640414	3.39
	Transfer			13 Sep 2019	(40387)	1600027	3.30
	Transfer			04 Oct 2019	(2497)	1597530	3.30
	Transfer			22 Nov 2019	(6046)	1591484	3.29
	Transfer			03 Jan 2020	(43581)	1547903	3.20
	Transfer			10 Jan 2020	(14122)	1533781	3.17
	Transfer			17 Jan 2020	(1516)	1532265	3.16
	Transfer			14 Feb 2020	(2849)	1529416	3.16
	Transfer			06 Mar 2020	(25029)	1504387	3.11
	Transfer			13 Mar 2020	(6404)	1497983	3.09
	Transfer			20 Mar 2020	(6524)	1491459	3.08
	Transfer			27 Mar 2020	(4613)	1486846	3.07
	Transfer			31 Mar 2020	(3101)	1483745	3.06
	At the end of the year					1483745	3.06

ANNEXURE TO THE BOARD'S REPORT

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04. 2019		Transactions during the year		Cumulative Shareholding during the year - 01.04.2019 to 31.03.2020				
		No. of Shares held	%	Date of Transaction	No. of Shares	No. of Shares held	%			
2.	YMSH Management Consultants LLP	941102	1.94			941102	1.94			
	At the end of the year					941102	1.94			
3.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs.	277753	0.57			277753	0.57			
	Transfer			30 Sep 2019	23307	301060	0.62			
	Transfer			04 Oct 2019	22126	323186	0.67			
	At the end of the year					323186	0.67			
4.	Aequitas Equity Scheme-I	123050	0.25			123050	0.25			
	Transfer			05 Apr 2019	359	123409	0.25			
	Transfer			26 Apr 2019	10000	133409	0.28			
	Transfer			10 May 2019	10107	143516	0.30			
	Transfer			24 May 2019	4148	147664	0.30			
	Transfer			21 Jun 2019	10000	157664	0.33			
	Transfer			26 Jul 2019	6242	163906	0.34			
	Transfer			23 Aug 2019	2526	166432	0.34			
	Transfer			27 Sep 2019	3500	169932	0.35			
	Transfer			06 Mar 2020	5000	174932	0.36			
	At the end of the year					174932	0.36			
	5.			Aruna P. Chokshi	141011	0.29			141011	0.29
				Transfer			10 May 2019	4000	145011	0.30
Transfer		17 May 2019	2000	147011			0.30			
Transfer		21 Jun 2019	(1000)	146011			0.30			
Transfer		12 Jul 2019	(1000)	145011			0.30			
Transfer		29 Nov 2019	2000	147011			0.30			
Transfer		20 Dec 2019	500	147511			0.30			
Transfer		27 Dec 2019	(500)	147011			0.30			
Transfer		17 Jan 2020	1000	148011			0.31			
Transfer		07 Feb 2020	(1000)	147011			0.30			
At the end of the year				147011			0.30			
6.		Shreekant Varun Phumbhra HUF	100000	0.21					100000	0.21
	At the end of the year					100000	0.21			
7.	Kamalini Bahubali	94480	0.20			94480	0.20			
	At the end of the year					94480	0.20			
8.	Aman Rathee	90476	0.19			90476	0.19			
	Transfer			02 Aug 2019	395	90871	0.19			
	Transfer			06 Mar 2020	2940	93811	0.19			
	At the end of the year					93811	0.19			
9.	Prashant Rathee	80036	0.17			80036	0.17			
	Transfer			05 Apr 2019	(734)	79302	0.16			
	Transfer			02 Aug 2019	322	79624	0.16			
	Transfer			06 Mar 2020	2650	82274	0.17			
	At the end of the year					83008	0.17			



ANNEXURE TO THE BOARD'S REPORT

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04. 2019		Transactions during the year		Cumulative Shareholding during the year - 01.04.2019 to 31.03.2020	
		No. of Shares held	%	Date of Transaction	No. of Shares	No. of Shares held	%
10.	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group INC (DFAIDG)	78623	0.16			78623	0.16
	Transfer			27 Sep 2019	733	79356	0.16
	Transfer			08 Nov 2019	2780	82136	0.17
	At the end of the year					82136	0.17
11.	IHP Unclaimed Shares Suspense Account	78990	0.16			78990	0.16
	Transfer			30 Sep 2019	(22060)	56930	0.12
	At the end of the year					56930	0.12

Note: Shareholding is consolidated based on PAN of the Shareholder.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year as on 1 st April, 2019		Reason	Cumulative Shareholding during the year as on 31 st March, 2020	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	Mr. Rajas R. Doshi - CMD *	409150	0.84	N.A.	409150	0.84
2.	Mr. Mayur R. Doshi - Executive Director	172070	0.36	N.A.	172070	0.36
3.	Ms. Jyoti R. Doshi - Non-Executive Director	313330	0.65	N.A.	313330	0.65
4.	Ms. Anima B. Kapadia - Non-Executive Director	1660	-	N.A.	1660	-
5.	Mr. Rajendra M. Gandhi - Independent Director	3060	0.01	N.A.	3060	0.01
6.	Mr. Rameshwar D. Sarda - Independent Director	1000	-	N.A.	1000	-
7.	Mr. N. Balakrishnan - Independent Director**	-	-	N.A.	-	-
8.	Mr. Vijay Kumar Jatia - Independent Director	1660	-	N.A.	1660	-
9.	Mr. P. D. Kelkar - Independent e Director***	254	-	N.A.	254	-
10.	Ms. Sucheta N. Shah - Independent Director****	-	-	N.A.	-	-
11.	Mr. M. S. Rajadhyaksha - Chief Financial Officer	2000	-	N.A.	2000	-
12.	Mr. S. M. Mandke - Company Secretary	-	-	N.A.	-	-
	At the End of the year	904184	1.86	N.A.	904184	1.86

* Includes shares held Individually, Karta - HUF and Trustee of Walchand Trust.

** Ceased to be Independent Director upon completion of his term on 15th March, 2020.

*** Passed away on 15th September, 2019.

**** Appointed w.e.f. 12th February, 2020.

ANNEXURE TO THE BOARD'S REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment as on 31st March, 2020 :

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	37,432.74	10,000.00	--	47,432.74
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	242.39	4.32	--	246.71
Total (i+ii+iii)	37,675.13	10,004.32	--	47,679.45
Change in Indebtedness during the financial year in Principal Amount-				
• Addition	5,30,905.30	58,500.00	--	5,89,405.30
• Reduction	5,12,836.43	57,500.00	--	5,70,336.43
Net Change	18,068.87	1,000.00	--	19,068.87
Indebtedness at the end of the financial year				
(i) Principal Amount	55,501.61	11,000.00	--	66,501.61
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	275.96	8.68	--	284.64
Total (i+ii+iii)	55,777.57	11,008.68	--	66,786.25

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager as on 31st March, 2020:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Rajas R. Doshi	Mr. Mayur R. Doshi	
		Chairman & Managing Director	Executive Director	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	238.65	125.90	364.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	117.58	59.38	176.96
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	--	--	---
3.	Sweat Equity	--	--	-
4.	Commission	50.00	150.00	200.00
	– As % of profit	--	--	
	– Others, specify	--	--	
5.	Others, please specify (Employer's contribution to PF and Other Fund)	45.76	23.69	69.45
	Total (A)	451.99	358.97	810.96
	Ceiling as per the Act/Contract (whichever is less)	544.16	426.63	970.79



ANNEXURE TO THE BOARD'S REPORT

B. Remuneration to other Directors as on 31st March, 2020:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rajendra M. Gandhi	Mr. Rameshwar D. Sarda	Mr. N. Balakrishnan	Mr. Vijay Kumar Jatia	Mr. P. D. Kelkar	Ms. Sucheta N. Shah	
1.	Independent Directors							
	• Fee for attending Board and Committee meetings	7.80	6.00	3.00	7.80	--	0.60	25.20
	• Commission	9.00	9.00	9.00	9.00	--	--	36.00
	• Others, please specify	--	--	--	--	--	--	--
	Total (1)	16.80	15.00	12.00	16.80	--	0.60	61.20
2.	Other Non-Executive Directors	Ms. Jyoti R. Doshi	Ms. Anima B. Kapadia					
	• Fee for attending Board and Committee meetings	3.00	4.80					7.80
	• Commission	9.00	9.00					18.00
	• Others, please specify	--	--					
	Total (2)	12.00	13.80					25.80
Total (B) = (1+2)								87.00
Total Managerial Remuneration (A+B*)		(*Includes commission to Non-Executive Directors @1% of the profits or ₹ 56 Lakhs, whichever is less)						864.96
Overall Ceiling as per the Act/ Contract (whichever is less)								1,026.79

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD as on 31st March, 2020:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. M. S. Rajadhyaksha	Mr. S.M. Mandke	Total
		Chief Financial Officer	Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38.77	34.61	73.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.80
	(c) Profits in lieu of salary under section 17 of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	– as % of profit	-	-	-
	– others, specify	-	-	-
5.	Others, please specify (Employer's contribution to PF and Other Fund)	4.80	4.51	9.31
Total		43.97	39.52	83.49

ANNEXURE TO THE BOARD'S REPORT

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES as on 31st March, 2020:

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

NONE



ANNEXURE TO THE BOARD'S REPORT

ANNEXURE 'F' TO BOARD'S REPORT

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

I. (i) The ratio of remuneration of each Director to the median employee's remuneration of the Company.

Sl. No.	Name of the Directors	Total Remuneration (₹)	Ratio of Remuneration of Director to Median Remuneration	Sl. No.	Name of the Directors	Total Remuneration (₹)	Ratio of Remuneration of Director to Median Remuneration
a.	Mr. Rajas R. Doshi Chairman & Managing Director	4,51,99,971	64.98	f.	Mr. Rameshwar D. Sarda Independent Director	15,00,000	2.16
b.	Mr. Mayur R. Doshi Executive Director	3,58,97,287	51.61	g.	Mr. N. Balakrishnan* Independent Director	12,00,000	1.73
c.	Ms. Jyoti R. Doshi Non- Executive Director	12,00,000	1.73	h.	Mr. Vijay Kumar Jatia Independent Director	16,80,000	2.42
d.	Ms. Anima B. Kapadia Non-Executive Director	13,80,000	1.98	i.	Mr. P. D. Kelkar** Independent Director	--	--
e.	Mr. Rajendra M. Gandhi Independent Director	16,80,000	2.42	j.	Ms. Sucheta N. Shah*** Independent Director	60,000	0.09

* Ceased to be Independent Director upon completion of his term on 15th March, 2020.

** Passed away on 15th September, 2019.

***Appointed w.e.f 12th February, 2020.

Note: The remuneration of Directors other than the Managing Director and Executive Director includes Sitting Fees.

(ii) The percentage increase / decrease in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company as on 31st March, 2020.

Sl. No.	Name of the Directors/ CFO/ CEO/Company Secretary	Total Remuneration (₹)	Increase/ Decrease (%)	Sl. No.	Name of the Directors/ CFO/CEO/Company Secretary	Total Remuneration (₹)	Increase/ Decrease (%)
a.	Mr. Rajas R. Doshi Chairman & Managing Director	4,51,99,971	-27.55%	g.	Mr. N. Balakrishnan* Independent Director	12,00,000	3.45%
b.	Mr. Mayur R. Doshi Executive Director	3,58,97,287	2.56%	h.	Mr. Vijay Kumar Jatia Independent Director	16,80,000	15.07%
c.	Ms. Jyoti R. Doshi Non- Executive Director	12,00,000	3.45%	i.	Mr. P. D. Kelkar** Independent Director	-	-100.00%
d.	Ms. Anima B. Kapadia Non-Executive Director	13,80,000	18.97%	j.	Ms. Sucheta N. Shah*** Independent Director	60,000	100.00%
e.	Mr. Rajendra M. Gandhi Independent Director	16,80,000	6.33%	k.	Mr. M. S. Rajadhyaksha Chief Financial Officer	43,96,657	9.28%
f.	Mr. Rameshwar D. Sarda Independent Director	15,00,000	-8.54%	l.	Mr. S. M. Mandke Company Secretary	39,52,237	16.28%

* Ceased to be an Independent Director upon completion of his term on 15th March, 2020.

** Passed away on 15th September, 2019.

***Appointed w.e.f 12th February, 2020.

(iii) The percentage increase in the median remuneration of employees in the financial year 2019-20.

5.63%

(iv) The number of permanent employees on the rolls of the Company as on 31.03.2020.

1,649 employees.

ANNEXURE TO THE BOARD'S REPORT

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 14.07% (Revision: 8.9% + Annual Increment: 5.17%)

Average percentile increase in the managerial remuneration:

Managerial personnel	2019-20 (₹)	2018-19 (₹)	Increase/ decrease (-) %
Remuneration of Managing Director	4,51,99,971	6,23,83,610	-27.55%
Remuneration of Executive Director	3,58,97,287	3,50,01,133	2.56%

Note: The average percentile increase made in the salaries of employees and managerial personnel was in line with the industry and business growth except the remuneration of Managing Director was decreased.

- (vi) **It is hereby affirmed that the remuneration paid is as per the Remuneration Policy.**

II. Pursuant to the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Board's report dated 29th June, 2020 for the financial year ended 31st March, 2020.

Statement of names of the top ten employees in terms of remuneration drawn and the name of every employee who if employed throughout the financial year, was in receipt of remuneration for that year which in the aggregate, was not less than ₹ 1,02,00,000/-; if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which in the aggregate, was not less than ₹ 8,50,000/- per month; if employed throughout the financial year or part thereof was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time-director or manager and holds by himself or along with his spouse and dependent children, not Less than 2% of the equity shares of the Company.

Sr. No.	Name of the Employee and Age	Designation	Remuneration received (₹)	Nature of Employment	Qualification(s), Experience	Date of commencement of employment	Details of previous employment
(A)	Employed throughout the financial year and in receipt of remuneration aggregating not less than ₹ 1,02,00,000/- for the year.						
1.	Mr. Rajas R. Doshi, (68)	Chairman & Managing Director	4,51,99,971	General control of the business and affairs of the Company - contractual	B E (Civil) (45)	01-01-1981	M/s Hindustan Construction Company Ltd. Mumbai.
2.	Mr. Mayur R. Doshi, (41)	Executive Director	3,58,97,287	General control of the business and affairs of the Company - contractual	B.E. (Electronics) MS(COMP SC) USA (17)	03-12-2007	Siebel Systems and Oracle Corporation USA
(B)	Employed for a part of the year and in receipt of remuneration aggregating not less than ₹ 8,50,000/- per month - NIL						
(C)	If employed throughout the financial year or part thereof was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the Managing Director or Whole-Time-Director or Manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company - NIL						

Notes:

- Mr. Rajas R Doshi and Mr. Mayur R. Doshi are employed with the Company on contractual basis.
- Total remuneration includes Salary, Commission, House Rent Allowance and other Allowance, Leave Travel Allowance, payment of premium of Mediclaim Insurance, Medical Assistance, Company's contribution to Provident Fund, Superannuation Fund, Taxable value of perquisites, etc.
- Mr. Rajas R. Doshi, Chairman & Managing Director, Mr. Mayur R. Doshi, Executive Director and Ms. Jyoti R. Doshi, Director are related to each other.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

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

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

Your Company fundamentally believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements. Your Company has systems and procedures in place to ensure that it remains fully compliant with all mandated regulations. The stipulations mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) have been complied with and is herein given below:

I. BOARD OF DIRECTORS:

A. Composition of Board:

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, which stipulates that the Board should have optimum combination of Executive and Non-Executive Directors with at least one Independent Woman Director and not less than fifty percent of the Board should comprise of Non-Executive Directors. Further, if the Chairman of the Board is an Executive Director then at least half of the Board of Directors should consist of Independent Directors.

All the Directors possess the requisite qualifications and experience in manufacturing, engineering, project execution, business management, general administration, finance and accounts, law and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

As on 31st March, 2020, the total strength of the Board is eight Directors including three women Directors out of which one is Independent Woman Director. Out of eight Directors, there are four Independent Directors, two Executive Directors and two Non-Executive Non-Independent Directors.

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

Name of the Director	DIN	Category	Number of Board meetings held	Number of Board meetings attended	Whether attended last AGM	Number of other Board of Directorships in listed Companies*	No. of Committee Membership #		Whether having any pecuniary or business relation with the Company
							Chairman	Member	
Mr. Rajas R. Doshi	00050594	Promoter - Chairman & Managing Director	5	5	Yes	Nil	1	1	None
Mr. Mayur R. Doshi	00250358	Promoter-Executive Director	5	5	Yes	Nil	--	1	None

Mr. P. D. Kelkar, Independent Director of the Company passed away on 15th September, 2019 due to old age. Mr. N. Balakrishnan, Independent Director has ceased to be an Independent Director of the Company upon completion of his term on 15th March, 2020. The Board has appointed Ms. Sucheta N. Shah, as an Independent Director of the Company for a period of three years from 12th February, 2020 to 11th February, 2023.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors.

The Senior Management of the Company is headed by Mr. Rajas R. Doshi, Chairman & Managing Director and Mr. Mayur R. Doshi, Executive Director, who operate under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and performance of the Management to ensure that the long term objectives of the Company are achieved.

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

In the opinion of the Board of Directors all the Independent Directors fulfil the conditions specified in the Listing Regulations, the Companies Act, 2013 and the Rules thereunder and are independent of the Management.

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

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

Further, none of the Directors of the Company serve as an Independent Director in more than seven listed entities or three listed entities in case he/she serve as a Whole Time Director/Managing Director in any listed Company as specified in Regulation 17A of Listing Regulations.

CORPORATE GOVERNANCE

Name of the Director	DIN	Category	Number of Board meetings held	Number of Board meetings attended	Whether attended last AGM	Number of other Board of Directorships in listed Companies*	No. of Committee Membership #		Whether having any pecuniary or business relation with the Company
							Chairman	Member	
Ms. Jyoti R. Doshi	00095732	Promoter-Non-Executive Non-Independent Director	5	3	Yes	Nil	--	--	None
Ms. Anima B. Kapadia	00095831	Non-Executive Non-Independent Director	5	5	Yes	Nil	1	1	Proprietor of Daphtary Ferreira & Divan, Advocates & Solicitors of the Company
Mr. Rajendra M. Gandhi	00095753	Independent Director	5	5	Yes	Nil	1	--	None
Mr. Rameshwar D. Sarda	00095766	Independent Director	5	4	Yes	Nil	--	1	None
Mr. N. Balakrishnan ***	00095804	Independent Director	5	3	Yes	Nil	--	1	None
Mr. Vijay Kumar Jatia	00096977	Independent Director	5	5	Yes	1	--	2	None
Mr. P. D. Kelkar ##	00255935	Independent Director	5	--	No	Nil	--	2	None
Ms. Sucheta N. Shah **	00322403	Independent Director	--	--	--	1	1	2	None

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

** Appointed w.e.f 12th February, 2020.

*** Ceased to be Independent Director upon completion of his term on 15th March, 2020.

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

Passed away on 15th September, 2019.

Names of listed entity and category of Directorship as under:

Name of Director(s)	DIN	Category of Director(s)	Name of Listed Company
Mr. Rajas R. Doshi	00050594	Chairman & Managing Director	The Indian Hume Pipe Co.Ltd.
Mr. Mayur R. Doshi	00250358	Executive Director	The Indian Hume Pipe Co.Ltd.
Ms. Jyoti R. Doshi	00095732	Non-Executive Non-Independent Director	The Indian Hume Pipe Co.Ltd.
Ms. Anima B. Kapadia	00095831	Non-Executive Non-Independent Director	The Indian Hume Pipe Co.Ltd.
Mr. Rajendra M. Gandhi	00095753	Independent Director	The Indian Hume Pipe Co.Ltd.
Mr. Rameshwar D. Sarda	00095766	Independent Director	The Indian Hume Pipe Co.Ltd.
Mr. N. Balakrishnan	00095804	Independent Director	The Indian Hume Pipe Co.Ltd.
Mr. Vijay Kumar Jatia	00096977	Independent Director	The Indian Hume Pipe Co.Ltd.
Mr. Vijay Kumar Jatia	00096977	Chairman & Managing Director	Modern India Ltd.
Ms. Sucheta N. Shah	00322403	Independent Director	The Indian Hume Pipe Co.Ltd.
Ms. Sucheta N. Shah	00322403	Independent Director	Jayant Agro-Organics Ltd



CORPORATE GOVERNANCE

C. Number of Board Meetings

The Board of Directors met 5 times during the financial year 2019-20. The meetings were held on 29th May 2019, 14th June, 2019, 12th August, 2019, 13th November, 2019 and 12th February, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

D. Disclosure of Relationships between directors inter-se

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

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

Ms. Anima B. Kapadia, Non-Executive Non-Independent Director of the Company, is a sole proprietor of M/s. Daphtary Ferreira & Divan, Solicitors & Advocates, one of the Solicitors & Advocates of the Company having 44 years' experience as a Solicitor & Lawyer.

F. Familiarisation Programme for Independent Directors

The Independent Directors are provided with necessary information, papers and policies to enable them to familiarise themselves with the Company's business, procedures and practices.

The familiarisation programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/FAM%20PROGRAM%20.pdf.

G. Skills/Expertise/Competence of the Board of Directors

The Board of Directors has identified following core skills / expertise / competencies available with the Board:

Skills/Expertise/Competence of the Board of Directors	The Board of Directors has identified following core skills / expertise / competencies available with the Board:
	<ul style="list-style-type: none"> • Manufacturing • Engineering, Project execution • Business Management and General Administration • Finance & Accounts • Law.
The Names of Directors who have such skills / expertise / competencies	
Mr. Rajas R. Doshi, Chairman & Managing Director } Mr. Mayur R. Doshi, Executive Director }	<ul style="list-style-type: none"> • Manufacturing • Engineering, Project execution • Business Management and General Administration • Finance & Accounts
Ms. Jyoti R. Doshi	• Business Management & General Administration
Ms. Anima B. Kapadia	• Law
Mr. Rajendra M. Gandhi	• Business Management, Finance & Accounts
Mr. Rameshwar D. Sarda	• Business Management and General Administration
Mr. Vijay Kumar Jatia	• Business Management and General Administration • Finance & Accounts
Ms. Sucheta N. Shah *	• Business Management & Finance

* Appointed w.e.f. 12-02-2020

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

Non-executive Directors	No. of Shares helds
Ms. Jyoti R. Doshi	3,13,330
Ms. Anima B. Kapadia	1,660
Mr. Rajendra M. Gandhi	3,060
Mr. Rameshwar D. Sarda	1,000
Mr. N. Balakrishnan ***	-
Mr. Vijay Kumar Jatia	1,660
Mr. P. D. Kelkar *	254
Ms. Sucheta N. Shah **	-

* Passed away on 15-09-2019

** Appointed w.e.f. 12-02-2020

*** Ceased to be an Independent Director upon completion of his term on 15th March, 2020.

H. Independent Directors

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act and rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they meet the criteria of independence as provided in the clause (b) of sub-regulation (1) of Regulation 16 and that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

I. Information to the Board

A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. All the agenda items are backed by necessary supporting information and documents. As per Secretarial Standard on Meetings of the Board, the notes on items of business which are in the nature of unpublished price sensitive information are circulated separately to enable the Board to take informed decisions.

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

J. Code of Conduct

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

K. Performance Evaluation and Independent Directors Meeting

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, annual performance evaluation of the Board as well as Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Risk Management Committee has been carried out by the Board.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman

and Non-Independent Directors was carried out by the Independent Directors. The performance evaluation criteria of Independent Directors was in line with the criteria specified vide SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2017/004 dated January 5, 2017.

In the opinion of the Board of Directors, all the Independent Directors fulfil the criteria of independence as provided under the Act, rules made thereunder and the Listing Regulations and that they are independent of the management.

During the year Mr. P. D. Kelkar, Independent Director of the Company passed away on 15th September, 2019. Ms. Sucheta N. Shah has been appointed as an Independent Director of the Company w.e.f. 12th February, 2020. Mr. N. Balakrishnan, Independent Director ceased to be an Independent Director of the Company upon completion of his term on 15th March, 2020.

L. DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

On the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Ms. Sucheta N. Shah (DIN: 00322403), as an Independent Director of the Company for a period of 3 years from 12th February, 2020 to 11th February, 2023. Pursuant to Section 161 of the Companies Act, 2013, Ms. Sucheta N. Shah holds office upto the date ensuing Annual General Meeting of the Company.

Ms. Anima B. Kapadia, Non-Executive Director retires by rotation and being eligible offers herself for re-appointment.

The profiles of the Directors seeking Appointment/re-appointment are given in the Notice of AGM and Explanatory Statement.

II. AUDIT COMMITTEE

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

During the year the Board had re-constituted the Audit Committee. The Committee has 3 members and all are Independent Directors. Mr. Rajendra M. Gandhi, is the Chairman, Mr. Rameshwar D. Sarda, and Mr. Vijay Kumar Jatia are members of the Committee.

The Company Secretary acts as the Secretary to the Committee.

Besides having access to all the required information of the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditor 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 and approve Financial Statements, Management Discussion & Analysis Report and related party transactions. Generally, all items listed in the Listing Regulations



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and Section 177 of the Companies Act, 2013 are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under the Companies Act and the Listing Regulations.

Five committee meetings were held during the year from 1st April, 2019 to 31st March, 2020 on following dates:

- 29 th May, 2019	- 14 th June, 2019
- 12 th August, 2019	- 13 th November, 2019
- 12 th February, 2020	

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

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

* Ceased on re-constitution of Committee w.e.f. 29-05-2019.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 26th July, 2019 to answer members' queries.

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

The meetings of the Audit Committee were also attended by the Chairman & Managing Director, Executive Director, Business Heads, Company Secretary, Chief Financial Officer, General Manager - Internal Audit and Statutory Auditor.

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

The Terms of reference of the Audit Committee:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;

- d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - approval or any subsequent modification of transactions of the listed entity with related parties;
 - scrutiny of inter-corporate loans and investments;
 - valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - evaluation of internal financial controls and risk management systems;
 - reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - discussion with internal auditors of any significant findings and follow up thereon;
 - reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - to review the functioning of the whistle blower mechanism;
 - approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 - reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary,

CORPORATE GOVERNANCE

whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Review of information by Audit Committee:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. Vijay Kumar Jatia, Chairman, Independent Director, Ms. Anima B. Kapadia, Non-Executive Non-Independent Director, Mr. Rajendra M. Gandhi, Independent Director and Mr. Rajas R. Doshi, Chairman & Managing Director of the Company. Mr. N. Balakrishnan ceased to be a member of the committee upon completion of his term on 15th March, 2020.

During the year two Committee meetings were held on 29th May, 2019 and 12th February, 2020. The attendance at these meetings was as under:

Sr. No.	Members	Meeting Attended
1.	Mr. Vijay Kumar Jatia, Chairman of the Committee *	2
2.	Mr. N. Balakrishnan ** Chairman of the Committee (Upto 15-03-2020)	1
3.	Ms. Anima B. Kapadia	2
4.	Mr. Rajendra M. Gandhi	2
5.	Mr. Rajas R. Doshi	2

* Appointed as Chairman of the Committee w.e.f.16-03-2020.

** Ceased to be Chairman of the committee upon completion of his term on 15-03-2020

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

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;

- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The link on draft appointment letter of Independent Directors is posted on the website of the Company i.e.http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/APPOINTMENTLETTER.pdf

Remuneration Policy

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

IV. REMUNERATION OF DIRECTORS

A. Remuneration to Non-Executive Directors for the year ended 31st March, 2020.

Non-Executive Directors are paid sitting fees of ₹ 60,000/- each for every meeting of the Board or Committee attended by them.

In the Annual General Meeting held on 10th July, 2017, the members had approved payment of commission, not exceeding 1% of the net profits of the Company or an amount not exceeding ₹ 56 Lakhs in aggregate, whichever is less, per financial year, to Non-Executive Directors for a further period of three financial years commencing from the year 2017-18 to 2019-20.

The Board of Directors at their meeting held on 29th June, 2020, has determined the commission to be paid to all Non-Executive Directors for the financial year 2019-20 as under:

The remuneration paid / payable to Non-Executive Directors for the year ended 31st March, 2020 is as under:

Non-Executive Directors	Sitting Fees (₹)	Commission * (₹)	Total (₹)
Ms. Jyoti R. Doshi	3,00,000	9,00,000	12,00,000
Ms. Anima B. Kapadia	4,80,000	9,00,000	13,80,000
Mr. Rajendra M. Gandhi	7,80,000	9,00,000	16,80,000
Mr. Rameshwar D. Sarda	6,00,000	9,00,000	15,00,000
Mr. N. Balakrishnan **	3,00,000	9,00,000	12,00,000
Mr. Vijay Kumar Jatia	7,80,000	9,00,000	16,80,000
Mr. P. D. Kelkar **	--	--	--
Ms. Sucheta N. Shah****	60,000	--	60,000
Total :	33,00,000	54,00,000	87,00,000

* Provision has been made in accounts for the year 2019-20.

** Ceased to be Independent Director upon completion of his term on 15th March, 2020.

*** Passed away on 15th September, 2019.

**** Appointed w.e.f. 12.02.2020



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B. (i) Remuneration of the Managing Director for the year ended 31st March, 2020.

Remuneration payable to the Managing Director for the period of 5 years w.e.f. 1st July, 2018 to 30th June, 2023 had been recommended by the Nomination and Remuneration Committee and approved by the Board at their meetings held on 23rd May, 2018 and Shareholders at the Annual General Meeting held on 20th July, 2018.

(ii) Remuneration of the Executive Director for the year ended 31st March, 2020.

Remuneration payable to the Executive Director w.e.f. 1st July, 2019 to 30th June, 2022 had been recommended by the Nomination and Remuneration Committee and approved by the Board at their meetings held on 29th May, 2019 and Shareholders at the Annual General Meeting held on 26th July, 2019.

The details of remuneration paid/payable to the Managing Director and Executive Director for the year ended 31st March, 2020 is as under:

Executive Directors	Salary, Perquisites and Allowances (₹)	Company's contribution to funds (₹)	Commission* (₹)	Total (₹)	Contract Period
Mr. Rajas R. Doshi Chairman & Managing Director	3,56,23,471	45,76,500	50,00,000	4,51,99,971	5 years with effect from 1 st July, 2018 to 30 th June, 2023
Mr. Mayur R. Doshi Executive Director	1,85,28,037	23,69,250	1,50,00,000	3,58,97,287	With effect from 1 st July, 2019 to 30 th June, 2022

* Provision has been made in the accounts for the year 2019-20.

Notes:

- Service Contract in case of Chairman & Managing Director is five years from 1st July, 2018 to 30th June, 2023 and in case of Executive Director is from 1st July, 2019 to 30th June, 2022 and Notice period applicable to Managing Director and Executive Director is six months.
- The above commission to the Managing Director and Executive Director is recommended by the Nomination and Remuneration Committee and approved by the Board.
- The Company has not issued stock options.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of three Directors viz. Ms. Anima B. Kapadia (Chairperson) Non-Executive Director, Mr. Rajas R. Doshi, Chairman & Managing Director and Ms. Sucheta N. Shah, Independent Director (appointed w.e.f. 16-03-2020).

Mr. P. D. Kelkar, Independent Director and Member of the Committee passed away on 15th September, 2019.

Mr. N. Balakrishnan Independent Director ceased to be a Member of the Committee upon completion of his term on 15th March, 2020.

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

During the year one Committee meeting was held on 12th August, 2019. The attendance at the meeting was as under:

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

* Passed away on 15th September, 2019.

** Ceased to be Member of the Committee upon completion of his term on 15th March, 2020

*** Appointed as a Member of the Committee w.e.f. 16-03-2020.

Transmission, Transposition, deletion of names etc requests from the Shareholders/ claimant(s) are approved weekly by the Chairman & Managing Director/Executive Director.

Details of Shareholders Complaints received and resolved during the year-2019-20 were as under:

Nature of Complaints	As on 1 st April, 2019	Received during the year	Resolved during the year	As on 31 st March, 2020
Securities and Exchange Board of India (SEBI) – Transfer of Shares	1	-	1	-
Non-Receipt of Bonus Share Certificate	-	1	1	-
TOTAL	1	1	2	-

CORPORATE GOVERNANCE

The Committee deals with the following matters:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

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

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

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

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

During the year two Committee meetings were held viz on 29th May, 2019 and 12th February, 2020. The attendance at the meetings was as under:

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

VII. RISK MANAGEMENT COMMITTEE

Risk Management Committee was voluntarily constituted by the Board of Directors at their meeting held on 27th May, 2014. The Committee is headed by Mr. Rajas R. Doshi, Chairman & Managing Director, Mr. Mayur R. Doshi, Executive Director, Mr. P. R. Bhat, Vice

President (ceased w.e.f. 30th May, 2020, since retired) and Mr. M. S. Rajadhyaksha, Chief Financial Officer of the Company. Mr. P.D. Kelkar member of the Committee passed away on 15th September, 2019. No committee meeting was held during financial year 2019-20.

VIII. GENERAL BODY MEETINGS:

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

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

Year	Date	Time	Special Resolutions
2016-17	10-07-2017	3.00 p.m.	(i) Alteration of Articles of Association of the Company. (ii) Place of keeping of Register of Members (iii) Payment of Commission to Non-Executive Directors
2017-18	20-07-2018	2.30 p.m.	(i) Re-appointment of Mr. Rajas R. Doshi, as Managing Director designated as Chairman & Managing Director of the Company for a further period of 5 years with effect from 1 st July, 2018 to 30 th June, 2023. (ii) Continuation of Directorship of Mr. Nachimuthu Balakrishnan as Non-Executive Independent Director of the Company who has attained the age of 80 years to hold office up to his term ending on 15 th March, 2020. (iii) Continuation of Directorship of Mr. P. D. Kelkar as Non-Executive Independent Director of the Company who has attained the age of 84 years to hold office up to his term ending on 3 rd August, 2020.



CORPORATE GOVERNANCE

Year	Date	Time	Special Resolutions
2018-19	26-07-2019	2.30 p.m.	<p>(i) Re-appointment of Mr. Rajendra M. Gandhi, as an Independent Director of the Company for a second term to hold office from 25th July, 2019 till the date of holding of 98th AGM of the Company to be held in the year 2024 or up to 24th July, 2024 whichever is earlier and that he shall not be liable to retire by rotation.</p> <p>(ii) Re-appointment of Mr. Vijay Kumar Jatia, as an Independent Director of the Company for a second term to hold office from 25th July, 2019 till the date of holding of 98th AGM of the Company to be held in the year 2024 or up to 24th July, 2024 whichever is earlier and that he shall not be liable to retire by rotation.</p> <p>(iii) Re-appointment of Mr. Rameshwar D. Sarda, as an Independent Director of the Company for a second term to hold office from 25th July, 2019 till the date of holding of 97th AGM of the Company to be held in the year 2023 and that he shall not be liable to retire by rotation.</p> <p>(iv) Re-appointment of Mr. Mayur R. Doshi, as Executive Director of the Company for a further period of 3 years with effect from 1st July, 2019 to 30th June, 2022.</p>

No Special Resolution was passed last year through Postal Ballot and no Special Resolution is proposed to be conducted through Postal Ballot.

IX. MEANS OF COMMUNICATION

The quarterly, half yearly & yearly results are published in Business Standard and Sakal, Mumbai which are national and local dailies. The Company's results and official news releases are displayed on the Company's website <http://www.indianhumepipe.com> and on the websites of BSE and NSE.

X. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

The Ninety-Fourth Annual General Meeting of the Company will be held on Friday, 4th September, 2020 at 2.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the business as stated in the Notice of the Meeting.

(ii) Financial Calendar 2020-21

Financial year: 1st April to 31st March.

Unaudited Financial Results with Limited Review for quarter ended: June, 2020 - by 14th August, 2020.

September, 2020 - by 14th November, 2020.

December, 2020 - by 14th February, 2021.

Audited financial results for the year ended 31st March, 2021 - by end of May, 2021.

AGM for the year ended 31st March, 2021 - by end of July/August, 2021.

Note: The above dates are indicative.

Dividend payment date: 8th September 2020.

(iii) Book Closure

Tuesday, 25th August, 2020 to Friday, 4th September, 2020 (both days inclusive)

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

BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001.	504741
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	INDIANHUME
International Securities Identification Number (ISIN) No.	INE 323C01030

The Company has paid Listing Fees to BSE Ltd and National Stock Exchange of India Ltd. (NSE) for the financial year 2020-21.

CORPORATE GOVERNANCE

(v) Stock Market price data:

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

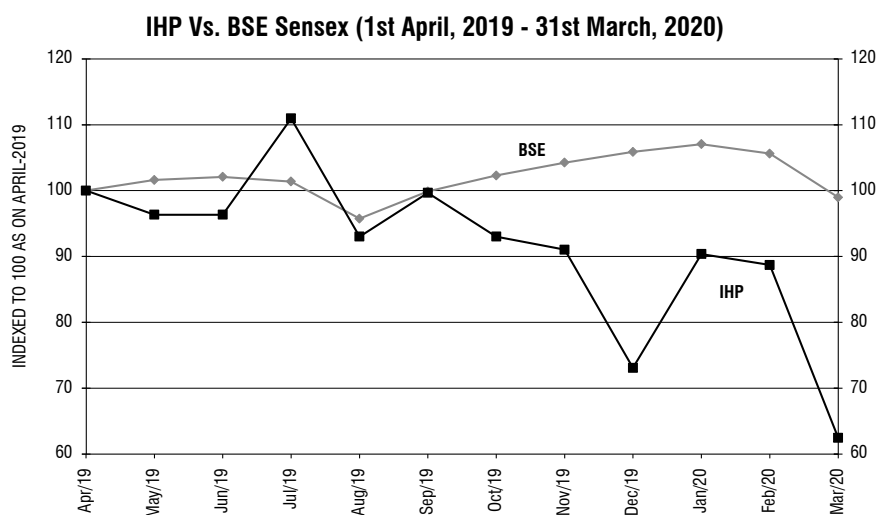
Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	301	265	302	264
May 2019	290	239	293	238
June 2019	290	264	290	265
July 2019	334	270	334	269
August 2019	280	242	283	242
September 2019	300	241	301	240
October 2019	280	251	280	252
November 2019	274	201	273	201
December 2019	220	193	220	194
January 2020	272	206	272	203
February 2020	267	181	267	181
March 2020	188	101	191	112

(vi) Stock Performance in comparison to BSE Sensex.

Month	BSE Sensex				IHP Price (₹)			
	Open	High	Low	Close	Open	High	Low	Close
April 2019	38859	39487	38460	39032	290	301	265	266
May 2019	39037	40125	36956	39714	265	290	239	287
June 2019	39807	40312	38871	39395	290	290	264	273
July 2019	39544	40032	37128	37481	276	334	270	281
August 2019	37387	37808	36102	37333	279	280	242	247
September 2019	37182	39441	35988	38667	246	300	241	273
October 2019	38813	40392	37416	40129	275	280	251	272
November 2019	40196	41164	40014	40794	274	274	201	219
December 2019	41073	41810	40135	41254	220	220	193	204
January 2020	41349	42274	40477	40723	206	272	206	256
February 2020	40753	41709	38220	38297	256	267	181	182
March 2020	38911	39083	25639	29468	185	188	101	118

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

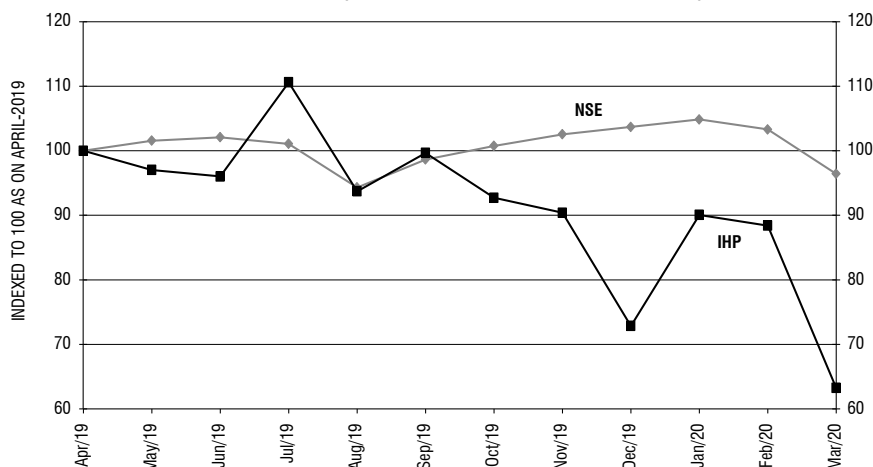
The following charts show the performance of price of Company's Shares as compared to the BSE Sensex & NSE Nifty during the year 2019-20.



BSE Sensex and IHP Shares Prices are indexed to 100 at the beginning of April, 2019.



IHP Vs. NSE Nifty (1st April, 2019 - 31st March, 2020)



NSE Nifty and IHP Shares Prices are indexed to 100 at the beginning of April, 2019

(viii) Registrar and Share Transfer Agent

M/s. Link Intime India Pvt. Ltd.
Unit: The Indian Hume Pipe Company Limited.
C-101, 247 Park, L. B. S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel. No. 022-49186270 Fax No. 022-49186060
Email: rnt.helpdesk@linkintime.co.in
www.linkintime.co.in

(ix) Share Transfer System

All requests for transmission, transposition, name deletion etc of shares held physically are processed by the Registrar and Share Transfer Agent of the Company and approved weekly by the Chairman & Managing Director/Executive Director and noted in the meetings of the Board of Directors.

(x) Shareholding pattern as on 31st March, 2020

Sr. No.	Description	Number of Shares	% to paid-up capital
1.	Promoters	3,38,74,770	69.92
2.	Other Directors & Relatives	18,619	0.04
3.	Mutual Funds	14,83,745	3.06
4.	Alternative Investment Funds	1,74,932	0.36
5.	Foreign Portfolio Investor	1,96,109	0.40
6.	Financial Institutions/Banks	1,16,719	0.24
7.	IEPF Authority MCA	3,23,186	0.67
8.	Trusts	12,724	0.03
9.	Hindu Undivided Family	5,03,636	1.04
10.	Non Resident Indians (NRI)	4,48,896	0.93
11.	Clearing Member	51,695	0.11
12.	Bodies Corporate	15,87,709	3.28
13.	Public	96,54,430	19.93
	TOTAL	4,84,47,170	100.00

(xi) Distribution of shareholding as on 31st March, 2020

Shares Held	No. of Shareholders	% to Shareholders	No. of Shares	% to paid-up capital
Up to – 500	17528	83.49	1942665	4.01
501 – 1000	1606	7.65	1280911	2.64
1001 – 2000	836	3.98	1269467	2.62
2001 – 3000	329	1.57	826719	1.71
3001 – 4000	189	0.90	680289	1.40
4001 – 5000	120	0.57	549756	1.13
5001 – 10000	224	1.07	1602505	3.31
10001 - and above	162	0.77	40294858	83.17
TOTAL	20994	100.00	48447170	100.00

(xii) Dematerialization of Shares and Liquidity as on 31st March, 2020.

Physical Form : 1.44%
Dematerialised Form : 98.56%

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

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

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

Accordingly the Company had opened a demat account in the name of 'IHP-Unclaimed Shares Suspense Account' with Stock Holding Corporation of India Ltd (DP) and dematted 1,49,370 Equity Shares belonging to 180 shareholders. The Company had allotted bonus shares in December, 2016 and 1,29,715 bonus shares were credited to IHP Unclaimed Shares Suspense Account.

CORPORATE GOVERNANCE

The Statement of Unclaimed Suspense/Demat Account of shares as of 31st March, 2020 is as under:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on 01-04-2019		Number of shareholders who approached the Company and Company has Transferred the Shares from the suspense account during the year		Number of shareholders and number of shares transferred to IEPF Demat Account from financial year 2017-18 to 2019-20		Aggregate number of shareholders and the outstanding share in the suspense account laying at the end of the year i.e. as on 31-03-2020	
No. of Holders	No of Shares	No. of Holders	No of Shares	No. of Holders	No of Shares	No. of Holders	No of Shares
31	78,990	Nil	Nil	136 ** 3	178120 ** 22,060	28	56,930

** In terms of Section 124(6) and IEPF Rules, 2016 of the Companies Act, 2013, the Company has transferred 22,060 shares of 3 shareholders from Unclaimed Suspense Demat Account to IEPF Demat account during the financial year 2019-20.

From 2014-15 to 2018-19, the Company had transferred 21,975 shares of 13 shareholders who had approached the Company for claiming their shares from the Unclaimed Shares Suspense Account to their respective demat accounts.

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

In pursuance of these Rules all benefits accruing on above shares are also transferred to IEPF Demat Account e.g. bonus shares, split consolidation, fraction shares etc. except rights issue shall also be credited to IEPF Demat Account.

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

(xiv) Nomination facility for Shares

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

(xv) Permanent Account Number (PAN)

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

(ii) As mandated by SEBI the shareholders holding shares in physical form are requested to submit copy of PAN card(s) and original copy of cancelled cheque leaf/attested copy of bank pass book showing name of the account holder(s) to M/s. Link Intime India Pvt. Ltd. (RTA).

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

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

(xvii) Plant Locations

There are 20 factories. The locations are indicated in the MAP at the end of the Annual Report.

(xviii) (a) Compliance Officer

Mr. S. M. Mandke
Company Secretary

(b) Address for correspondence

Share Department
Construction House, 2nd floor,
5, Walchand Hirachand Road,
Ballard Estate, Mumbai - 400 001
Tel. : 022-22618091 / 22618092 / 40748181
Fax : 022-22656863
E-mail : investors@indianhumepipe.com /
info@indianhumepipe.com

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

(xix) Reconciliation of Share Capital Audit

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

(xx) Credit Ratings:

During the year CARE Ratings Limited has reviewed and evaluated its rating for Long term Bank facilities (Term Loan) as CARE A;Stable (Single A; Outlook:Stable), Long term Bank facilities (Fund based) as CARE A; Stable (Single A; Outlook:Stable), Short term Bank Facilities (Non-fund based) as CARE A1 (A One) and Long term/Short term Bank Facilities (Non-fund based) as CARE A;Stable/CARE A1 (Single A; Outlook:Stable / A One).

XI. OTHER DISCLOSURES

a. Related Party Disclosures

Details of related party transactions i.e. transactions of the Company of material nature with ultimate holding Company, holding Company, Key Managerial Personnel (KMP), relatives of KMP, Companies in which control exists directly or indirectly, Companies in which



CORPORATE GOVERNANCE

Director is interested and other related parties are presented in the Notes to the Financial Statements. All the details of the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2019-20, there were no materially significant related party transactions entered by the Company that may have a potential conflict with the interests of the Company at large. All the related party transactions entered into during the year were in the ordinary course of business and on an arm's length basis.

As required, the Company has formulated a Related Party Transaction Policy which is available on the website of the Company i.e. www.indianhumepipe.com

(http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/Related%20Party%20Policy.pdf).

b. 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.

c. Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities. The Company has Vigil Mechanism administered by the Audit Committee. No personnel of the Company has been denied access to the Audit Committee. The Vigil Mechanism Policy is posted on the website of the Company www.indianhumepipe.com.

d. Compliance with mandatory & non-mandatory requirements

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

Further, the Company has adopted following non-mandatory requirement of Listing Regulations:

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

e. Details of utilisation of Funds

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation, 32(7A) of SEBI (LODR), Regulations, 2015.

f. Certificate from Company Secretary in practice

The Company has obtained a certificate from a firm of Company Secretaries in practice that none of the Directors of the Company have been debarred/disqualified from being appointed or continue as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority. Certificate is reproduced below.

CERTIFICATE

Based on our verification of the records maintained by the Indian Hume Pipe Company Limited (CIN: L51500MH1926PLC001255) (hereinafter called 'the Company') including declarations / notices received from its Directors and also information / record available on the website(s) of the Ministry of Corporate Affairs, Securities and Exchange Board of India and Stock Exchanges where the equity shares of the Company are listed, we hereby certify that, during the Financial year 2019-20, none of the Directors on the Board of the Company were debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

This certificate is being issued as per the requirements of Schedule V (C) (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For JHR & Associates
Company Secretaries

J. H. Ranade
(Partner)

Place : Thane

Date : 16th June, 2020

FCS: 4317, CP: 2520

UDIN: F004317B000347211

g. Total Fees paid to Statutory Auditors

Total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part was ₹ 55,15,936/-.

h. Disclosures in relation to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Internal Committees have been set up to redress complaint(s) regarding sexual harassment.

i. CEO/CFO Certification

As required under Listing Regulations, the Chairman & Managing Director and the Chief Financial Officer of the Company have issued a certificate to the Board of Directors, for the year ended 31st March, 2020, which is annexed to this report.

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

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

We have reviewed the Financial Statements, and the Cash Flow Statement of The Indian Hume Pipe Co. Ltd. for the year ended 31st March, 2020 and that to the best of our knowledge and belief, we state that:

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

M. S. Rajadhyaksha
Chief Financial Officer

Rajas R. Doshi
Chairman & Managing Director

Place : Mumbai
Date : 29th June, 2020

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I, Rajas R. Doshi, Chairman & Managing Director of The Indian Hume Pipe Co. Ltd., hereby confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2020.

Rajas R. Doshi
Chairman & Managing Director

Place : Mumbai
Date : 29th June, 2020



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
The Indian Hume Pipe Company Limited

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated 3rd July, 2019.
2. We, Deloitte Haskins and Sells LLP, Chartered Accountants, the Statutory Auditors of The Indian Hume Pipe Company Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulations)

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management.

The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kedar Raje
Partner
(Membership No. 102637)
(UDIN: 20102637AAAACA1018)

Place : Mumbai
Date : 29th June 2020

BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company is committed to sustainability based on values forged over its long history. In addition, as an impact element of sustainable business and in line with its CSR Policy, the Company lay great emphasis on ensuring that its business practices meet the standards of Corporate Governance and ethics.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN)** : L51500MH1926PLC001255
- Name of the Company** : THE INDIAN HUME PIPE COMPANY LIMITED
- Registered Address** : Construction House, 2nd Floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai – 400001
- Website** : www.indianhumpipe.com
- E-mail id** : info@indianhumpipe.com
- Financial Year Reported** : 1st April, 2019 to 31st March, 2020
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Name and Description of industrial activity (main product / services)	NIC Code of the Products/ Service
Construction and maintenance of projects relating to water supply, irrigation, sanitation and sewerage systems and pipe manufacturing.	42204, 42205, 23955, 24311

- List three key products/services that the Company manufactures/ provides (as in balance sheet):
 - EPC contracts covering construction, maintenance, laying and jointing of pipelines of various pipe materials, for providing infrastructure facility of drinking water supply projects, irrigation projects, Sanitation and Sewerage Systems.
 - Manufacturing of Bar Wrapped Steel Cylinder pipes (BWSC).
 - Manufacturing of Prestressed concrete Cylinder pipes (PCCP).
 - Manufacturing of Steel pipes, Prestressed Concrete pipes, and RCC pipes.
- Total number of locations where business activity is undertaken by the Company :
 - Number of international locations (provide details of major 5) : Nil
 - Number of national locations: 20 Factories at different locations across India which are manufacturing BWSC, PCCP, PSC, MS and RCC pipes and 15 Project offices at different locations across India.
- Markets served by the Company: Local, State, National, International. IHP executes projects across in India.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital : ₹ 968.94 Lakhs
- Total turnover : ₹ 1,62,362.23 Lakhs
- Total profit after tax : ₹ 7,340.84 Lakhs
- Total spending on Corporate Social Responsibility (CSR)

In terms of Section 135 of the Companies Act, 2013 : ₹ 280.85 Lakhs

As percentage of profit after tax (%) : 3.83%

- List the activities as per Schedule VII of the Companies Act, 2013 in which expenditure in 4 above has been incurred: a) Education, b) Medical Aid/support, c) Disaster Management and Swachha Bharat Kosh.

SECTION C: OTHER DETAILS

Details are given in Annexure A to Board's report for FY 2019-20 relating to CSR Activities.

- Does the Company have any Subsidiary Company / Companies? - No.
- Does the Subsidiary Company/ Companies participate in the Business Responsibility ("BR") Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : - Not applicable.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR Initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] - Not applicable.

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR and Details of the BR Head**

- Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN NUMBER	NAME	DESIGNATION
00050594	Mr. Rajas R. Doshi	Chairman & Managing Director

- Details of the BR head

DIN Number : 00050594

Name : Mr. Rajas R. Doshi

Designation : Chairman & Managing Director

Tel No : 022-22618091

E mail id : info@indianhumpipe.com

- Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N) :**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.



BUSINESS RESPONSIBILITY REPORT

These are briefly as under:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the well-being of all employees
- P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- P5 Businesses should respect and promote human rights.
- P6 Businesses should respect, protect and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for principle	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy confirm to any national / international standards? If yes, specify?	Policies are prepared in conformity with applicable laws.								
4.	Has the policy being approved by the board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6.	Indicate the link for the policy to be viewed online?	<p>Corporate Social Responsibility policy http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/CSRPolyR.pdf</p> <p>Vigil Mechanism Policy http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/VIGIL.pdf</p> <p>Code of Practices and Procedures for Fair Disclosures http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/FairDisclosure.pdf</p> <p>Policy for Determination of Materiality http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/Deter.pdf</p> <p>Archival Policy http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/Archival.pdf</p> <p>Criteria of making payments to Non-Executive Directors http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/CRITERIA.pdf</p> <p>Policy on Related Party Transactions http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/Related_party_Policy.pdf</p> <p>Policy for Preservation of Documents http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/Pres.pdf</p> <p>Fair Disclosure of Unpublished Price Sensitive Information http://www.indianhumepipe.com/Portals/0/images/pdf/Corporate_Governance/FairDisclosure.pdf</p>								

BUSINESS RESPONSIBILITY REPORT

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, these policies are communicated to all internal stakeholders.								
8.	Does the company have in-house structure to implement the policy/ policies?	The Company has in-house structure to implement these policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	The Vigil mechanism enables employees and others to report any concerns or grievances. The stakeholders relationship committee monitors the grievances of the shareholders. Customer complaints are monitored by each business through proper review mechanism.								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	It is periodically reviewed internally.								

(b) If answer to the question at serial number 1 against any principle, is 'NO', please explain why (Tick up to 2 options): Not Applicable

3. Governance related BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. This is the first Sustainability Report and is part of this Annual Report

<http://indianhumepipe.com/AboutUs/Investors/AnnualReports.aspx>

- ii) Bar Wrapped Steel Cylinder pipes (BWSC)
- iii) Prestressed Concrete Cylinder pipes (PCCP)
- iv) Steel pipes, Prestressed Concrete pipes and RCC pipes

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of production (optional)

(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain

N. A. since this is first year of applicability

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year ?

N. A. since this is first year of applicability

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? **Yes.** Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? **-No**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2019-20, 2 concerns from stakeholders were received these, were satisfactorily resolved as on March 31, 2020 (During the year Company has received only 1 complaint and 1 (one) was pending at the beginning of the year i.e. on 1st April 2019)

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

- i) Construction, maintenance, laying and jointing of pipelines of various pipe materials, which provide infrastructure facility and development for drinking water supply projects, irrigation projects, Sanitation and Sewerage Systems.

3. Does the company have procedures in place for sustainable sourcing (including transportation)

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Approximately % - N.A.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is in the business of undertaking infrastructural projects of providing drinking water supply, irrigation and sewerage projects on turnkey basis floated by various State Govts. and hence the procurement of key raw materials are sourced directly from the nationwide manufacturers.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separate as < 5%, 5-10%, > 10%)

The Company does not generate/ recycle products and waste



BUSINESS RESPONSIBILITY REPORT

Principle 3: Businesses should promote the well-being of all employees

1.	Please indicate the Total number of employees as on 31.03.2020.	1,649
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	491
3.	Please indicate the Number of permanent women employees.	33
4.	Please indicate the Number of permanent employees with disabilities	Nil
5.	Do you have an employee association that is recognized by management.	8
6.	What percentage of your permanent employees is members of this recognized employee association	N.A.
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Nil

Sr No.	Category	No of Complaints filed during the financial year	No of complaints pending as on end of the financial year
	1. Child labour / forced labour / involuntary labour	Nil	Nil
	2. Sexual harassment	Nil	Nil
	3. Discriminatory employment	Nil	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year ?		
	Permanent Employees		13%
	Permanent Women Employees		42.42%
	Casual / Temporary / Contractual Employees		63.75%
	Employees with Disabilities		Nil

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1.	Has the Company Mapped its internal and external stakeholders?	Yes
2.	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?	Yes
3.	Are there any special initiatives taken by the Company to engage with disadvantaged, vulnerable and marginalised stakeholders?	Yes

Principle 5 : Businesses should respect and promote human rights

1.	Does the Company's policy on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/ Others?	The policy is applicable to the Company.
2.	How many Stakeholders complaints have been received in the past Financial Year And what Percentage was satisfactory resolution of by the management?	Two - 100%

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1.	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?	The policy is applicable to the Company.
2.	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The Company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed-off as per the statutory provisions
3.	Does the company identify and assess potential environmental risks?	The Company addresses the issues of Environment, Health and Safety (EHS).
4.	Does the company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company strictly adheres to the same.
5.	Has the company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	As part of the project execution the Company has undertaken initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. Complied to the extent applicable
7.	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None

BUSINESS RESPONSIBILITY REPORT

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is the Company a member of any trade and chamber or association and If Yes, name of major ones that the Company deals with	Yes 1) Indian Merchants' Chamber 2) The Confederation of Indian Industry (CII) 3) Builders Association of India 4) Maharashtra Chambers of Commerce, Industry and Agriculture
2.	Has the Company advocated/lobbied through above associations for the advancement or improvement of the public good? If yes specify the broad areas	Whenever Policy guidelines are issued, the Company provide its suggestions wherever needed to above Trade / Chamber Associations. The Company officials also attend seminars / workshops organized by such Institutions for facilitating views on the policies.

Principle 8: Businesses should support inclusive growth and equitable development

1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013. The details of the CSR projects undertaken by the Company is provided in the Annexure A to the Board Report
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	In house teams and External Agencies viz., Charitable organization, Section 8 company.

3.	Have you done any impact assessment of your initiative?	Yes
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the financial year 2019-20 the Company has contributed and donated of ₹ 10 Lakhs to Swachh Bharat Kosh set up by the Central Government.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, Initiatives conducted under CSR are monitored to see that they are successfully adopted

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints / consumer cases is pending as on the end of financial year.	Nil
2.	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
4.	Did your company carry out any consumer survey/consumer satisfaction trends?	Not Applicable



INDEPENDENT AUDITOR'S REPORT

To The Members of
The Indian Hume Pipe Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Indian Hume Pipe Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition in respect of construction contracts (Contract revenue) recognised over time.</p> <p>(Refer Note 1 (f) of the financial statements of the Company)</p> <p>In accordance with Ind AS 115, the Company recognises 'Contract revenue' over time when the Company's performance under the contract does not create an asset with an alternative use to the Company and the Company has enforceable right to the payment for the performance completed to date; otherwise the revenue is recognised at point in time when the customer obtains control of the completed asset.</p> <p>For the Contract revenue recognised over time, the Company recognises revenue by measuring the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Company's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.</p> <p>There are significant accounting judgements and estimates including separation of performance obligations, estimation of costs to complete, estimation of defect liability provision, determining the stage of completion and the timing of revenue recognition.</p> <p>The revenue on contracts may also include variations mainly on account of change in scope of work and escalations / de-escalations. Variations are recognised on a contract-by-contract basis based on the estimated amount of variation that the company is entitled to and upto the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Further, the contract variation is considered as a part of the existing contract if the remaining goods or services are not distinct and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract variation. The effect that the contract variation has on the transaction price, and on the entity's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue.</p> <p>Significant judgments and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. Accordingly, recognition of revenue over time is considered a key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> ➤ testing of the design and implementation of internal controls over judgements exercised as well as their operating effectiveness over the following : <ul style="list-style-type: none"> a. Determination of performance obligations, transaction price and the allocation thereof. b. Controls over the determination of the estimates used. ➤ testing the relevant controls relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115. ➤ testing a sample of contracts for appropriate identification of performance obligations, assessing the measurement of the value of goods and services transferred to customers and testing of sample of costs incurred to date and agreeing to the supporting documents; ➤ review estimates of consideration related to variations in sample contracts, by analysing agreements / correspondence with customers and other relevant documents related to change in the consideration for those samples; ➤ reviewing estimated profit and costs to complete with cumulative performance of the contract upto the reporting date and discussions with key personnel regarding appropriate revisions in cost / revenue by considering the costs incurred till reporting date including additional cost required to complete the project and estimation of potential contract losses; ➤ performing analytical procedures for reasonableness of revenues recognized, challenging the Company's assumptions used in estimating the amount of revenue and associated profit to be recognised by the Company up to the balance sheet date by evaluating the financial performance of contracts against budget and historical trends.

INDEPENDENT AUDITOR'S REPORT

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, including Annexures to Board's report, Business Responsibility Report, Management Discussion and Analysis Report, but does not include the financial statements, and our auditor's report thereon.

- i. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- ii. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- iii. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key



INDEPENDENT AUDITOR'S REPORT

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

On account of the COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, only at certain select locations, subsequent to the year end. Also, we were not able to physically observe the stock verification at certain locations, where management carried out physical verification. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA-501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial statements. Our report on the Statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contract as on reporting date.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)
(Membership No. 102637)
(UDIN: 20102637AAAABY7164)

Place : Mumbai
Date : 29 June 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of The Indian Hume Pipe Company Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Kedar Rajee
(Partner)
(Membership No. 102637)
(UDIN: 20102637AAAABY7164)

Place : Mumbai
Date : 29 June 2020



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for borrowings are held in the name of the Company based on the confirmations directly received by us from custodian.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for manufacture of steel products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a. The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess, and other material statutory dues applicable to it to the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c. Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates (FY)	Gross Amount (Rs. in Lacs)	Amount Unpaid (Rs. in Lacs)
Finance Act, 1994	Service tax	Appellate Authority-Tribunal Level	2009-2015	310.12	294.73
Central Excise Act, 1944	Excise duty	Appellate Authority-Tribunal Level	2003-2008	70.91	69.04
		Appellate Authority-Commissioner	2005-2015	126.13	123.51
Sales Tax and Value Added Tax Laws	Sales Tax	Supreme Court	1989-2004	3,033.74	2,132.48
		High court	1980-2002	4.68	4.68
		Appellate Authority-Commissioner	2005-2014	38.85	38.85

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The company has not issued any debentures.
- (ix) The Company did not raise moneys by way of Initial Public Offer or further public offer (including debt instruments). According to the information and explanations given to us, the term loans raised have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

Kedar Rajee

(Partner)

(Membership No. 102637)

(UDIN: 20102637AAAABY7164)

Place : Mumbai

Date : 29 June 2020

BALANCE SHEET AS AT MARCH 31, 2020

	Note	As at March 31, 2020	₹ in Lakhs As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	12743.47	8250.99
Capital work-in-progress		149.41	1786.98
Investment property	2.2	683.92	665.89
Intangible assets	2.3	76.20	68.27
Right of use assets	2.46	696.19	-
Financial assets			
Investments	2.4	181.85	258.74
Trade receivables	2.5	8589.40	6006.87
Loans	2.6	374.48	429.89
Other financial assets	2.7	3698.23	371.92
Deferred tax assets (net)	2.8	790.15	870.02
Income tax assets (net)	2.9	1127.75	497.86
Other non-current assets	2.10	6060.38	5952.11
Total non-current assets		35171.43	25159.54
Current assets			
Inventories	2.11	7566.22	7085.33
Financial assets			
Trade receivables	2.5	62525.27	59855.94
Cash and cash equivalents	2.12	1797.25	1032.51
Bank balances other than cash and cash equivalents	2.13	1382.99	2882.07
Loans	2.6	213.44	174.44
Other financial assets	2.7	1041.01	874.82
Other current assets	2.10	92682.64	81887.52
Total current assets		167208.82	153792.63
TOTAL ASSETS		202380.25	178952.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.14	968.94	968.94
Other equity	2.15	55895.79	50991.16
Total equity		56864.73	51960.10
Non-current liabilities			
Financial liabilities			
Borrowings	2.16	4369.41	228.85
Lease liability	2.46	496.00	-
Trade payables	2.17	-	-
- Total outstanding dues of Micro and Small enterprises		-	-
- Total outstanding dues of creditors other than Micro and Small Enterprises		2347.10	2054.61
Other financial liabilities	2.18	1579.08	1575.41
Provisions	2.19	532.56	369.35
Other non-current liabilities	2.20	2250.88	1511.27
Total non-current liabilities		11575.03	5739.49
Current liabilities			
Financial liabilities			
Borrowings	2.16	61250.65	47093.34
Lease liability	2.46	234.84	-
Trade payables	2.17	-	-
- Total outstanding dues of Micro and Small enterprises		1223.49	1694.14
- Total outstanding dues of creditors other than Micro and Small Enterprises		51713.11	47900.24
Other financial liabilities	2.18	2634.57	1847.50
Other current liabilities	2.20	16076.95	21589.59
Provisions	2.19	286.29	504.75
Current tax liabilities (net)	2.21	520.59	623.02
Total current liabilities		133940.49	121252.58
Total liabilities		145515.52	126992.07
TOTAL EQUITY AND LIABILITIES		202380.25	178952.17

The accompanying notes 1 and 2.1 to 2.48 are an integral part of financial statements

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KEDAR RAJE
Partner

Mumbai
Date: 29th June, 2020

For and on behalf of the Board

RAJAS R. DOSHI
MAYUR R. DOSHI

DIN 00050594
DIN 00250358

M. S. RAJADHYAKSHA
S. M. MANDKE

ACA 036125
FCS 2723

Mumbai
Date: 29th June, 2020

Chairman & Managing Director
Executive Director

Chief Financial Officer
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

	Note	For the Year 2019-20	For the Year 2018-19
INCOME			
Revenue from operations	2.22	162362.23	164552.77
Other income	2.23	505.01	1151.90
Total income		<u>162867.24</u>	<u>165704.67</u>
EXPENSES			
Cost of materials consumed	2.24	13858.66	11097.14
Changes in inventories of finished goods, work in progress and stock in trade	2.25	335.74	(193.65)
Construction expenses	2.26	112777.36	119382.42
Manufacturing and other expenses	2.27	1509.92	1290.81
Employee benefits expense	2.28	7831.35	7285.49
Finance costs	2.29	7658.48	5357.55
Depreciation and amortization expenses	2.30	1844.97	1173.34
Other expenses	2.31	7014.83	7084.82
Total expenses		<u>152831.31</u>	<u>152477.92</u>
Profit before tax		10035.93	13226.75
Tax expenses			
Current tax		2518.04	4534.47
Deferred tax		177.05	61.04
Total tax expenses		2695.09	4595.51
Profit for the year		7340.84	8631.24
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss account			
Remeasurement of defined benefit plans		(353.90)	(20.33)
Equity instruments through other comprehensive income		(76.89)	29.29
Income tax relating to items that will not be reclassified to profit or loss		97.18	(3.54)
Total other comprehensive income		<u>(333.61)</u>	<u>5.42</u>
Total comprehensive income for the year		<u>7007.23</u>	<u>8636.66</u>
Earnings per equity share of face value ₹ 2/- each	2.32		
(1) Basic and diluted (in ₹) (including exceptional items)		15.15	17.82
(2) Basic and diluted (in ₹) (excluding exceptional items)		15.15	17.82
The accompanying notes 1 and 2.1 to 2.48 are an integral part of financial statements			

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KEDAR RAJE
Partner

Mumbai
Date: 29th June, 2020

For and on behalf of the Board

RAJAS R. DOSHI
MAYUR R. DOSHI

DIN 00050594
DIN 00250358

M. S. RAJADHYAKSHA
S. M. MANDKE

Mumbai
Date: 29th June, 2020

Chairman & Managing Director
Executive Director

Chief Financial Officer
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	₹ in Lakhs	
	For the year 2019-20	For the year 2018-19
Cash flow from operating activities		
Profit after tax	7340.84	8631.24
Adjustments for :		
Income tax expenses	2695.09	4595.51
Finance costs	7658.48	5357.55
Interest income	(309.53)	(180.09)
Dividend income	(7.40)	(5.65)
Gain on disposal of Property, Plant and Equipment (net)	(62.90)	(16.95)
Depreciation and amortisation expenses	1844.97	1173.34
Allowance for expected credit loss	370.97	86.64
Gain on compulsory acquisition of land	-	(831.45)
Bad debts written off	128.20	494.15
Liabilities no longer required written back	(199.55)	(211.84)
Operating profit before working capital changes	19459.17	19092.45
Movements in working capital :		
(Increase) in trade & other receivables	(16742.96)	(17597.45)
(Increase) in inventories	(480.89)	(2353.04)
Increase / (decrease) in trade & other payables	(1374.70)	4840.95
Cash generated from operations	860.62	3982.91
Income taxes paid (net)	(3250.36)	(4459.80)
Net cash used in operating activities	(2389.74)	(476.89)
Cash flow from investing activities		
Dividend received	7.40	5.65
Interest received	292.55	176.48
Payments for purchase of investments	-	(1615.68)
Proceeds from disposal of investments	-	1600.00
Payments for acquisition of property, plant & equipment and intangible assets	(4557.23)	(4192.18)
Proceeds from disposal of property, plant & equipment	112.88	308.86
Changes in earmarked & margin account (net)	(1828.89)	(1661.95)
Net cash used in investing activities	(5973.29)	(5378.82)
Cash flow from financing activities		
Interest paid on borrowings	(7540.75)	(5256.62)
Proceeds from long term borrowings	5135.09	79.89
Repayment of long term borrowings	(223.53)	(657.61)
Proceeds of short term borrowings (net)	9746.35	14900.08
Repayments of lease liabilities (including interest thereon)	(306.34)	-
Dividend paid	(2094.01)	(1998.42)
Net cash generated from financing activities	4716.81	7067.32
Net (decrease) / increase in cash and cash equivalents	(3646.22)	1211.61
Cash and cash equivalents at the beginning of the year	(2160.73)	(3372.34)
Total cash and cash equivalents at the end of the year	(5806.95)	(2160.73)
Cash credits / bank overdrafts	(7604.20)	(3193.24)
Total cash and cash equivalents as per Balance Sheet	1797.25	1032.51

The above cash flow statement has been prepared under 'indirect method' as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows' The accompanying notes 1 and 2.1 to 2.48 are an integral part of financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
 Chartered Accountants

KEDAR RAJE
 Partner

Mumbai
 Date: 29th June, 2020

For and on behalf of the Board
RAJAS R. DOSHI
MAYUR R. DOSHI

M. S. RAJADHYAKSHA
S. M. MANDKE

Mumbai
 Date: 29th June, 2020

DIN 00050594
 DIN 00250358

ACA 036125
 FCS 2723

Chairman & Managing Director
 Executive Director

Chief Financial Officer
 Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR MARCH 31, 2020

a. Equity share capital

₹ in Lakhs

Particulars	Amount
Balance at April 01, 2019	968.94
Balance at March 31, 2020	968.94

b. Other equity

₹ in Lakhs

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance at April 01, 2018	13797.29	30358.05	184.95	44340.29
Profit for the year	-	8631.24	-	8631.24
Other comprehensive income / (loss) for the year	-	(13.22)	18.64	5.42
Total comprehensive income / (loss) for the year	-	8618.02	18.64	8636.66
Movement				
Final dividend	-	(1647.20)	-	(1647.20)
Tax on final dividend	-	(338.59)	-	(338.59)
Balance at March 31, 2019	13797.29	36990.28	203.59	50991.16
Profit for the year	-	7340.84	-	7340.84
Other comprehensive income / (loss) for the year	-	(259.75)	(73.86)	(333.61)
Total comprehensive income / (loss) for the year	-	7081.09	(73.86)	7007.23
Movement				
Final dividend	-	(1744.10)	-	(1744.10)
Tax on final dividend	-	(358.50)	-	(358.50)
Balance at March 31, 2020	13797.29	41968.77	129.73	55895.79

Notes:

The Board of Directors at its meeting held on 29th June, 2020 have recommended a payment of dividend of ₹ 2.00 (Two rupees only) per equity share of face value of ₹ 2 each for the year ended 31st March, 2020 amounting to ₹ 968.94 lakhs.

The accompanying notes 1 and 2.1 to 2.48 are an integral part of financial statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
 Chartered Accountants

KEDAR RAJE
 Partner

Mumbai
 Date: 29th June, 2020

For and on behalf of the Board

RAJAS R. DOSHI
MAYUR R. DOSHI

DIN 00050594
 DIN 00250358

Chairman & Managing Director
 Executive Director

M. S. RAJADHYAKSHA
S. M. MANDKE

ACA 036125
 FCS 2723

Chief Financial Officer
 Company Secretary

Mumbai
 Date: 29th June, 2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Corporate Information

The Indian Hume Pipe Co. Ltd. ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is in the business of manufacturing, laying and jointing of pipelines. The Company has also been undertaking infrastructure development programmes by way of execution on turnkey basis the combined water supply projects. The company also manufactures and supplies Concrete Railway Sleepers to Indian Railways.

Its shares are listed on two recognised stock exchanges in India - the Bombay Stock Exchange and the National Stock Exchange. The registered office of the Company is located at Construction House, Walchand Hirachand Road, Mumbai - 400 001, India.

The financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 29, 2020.

1 Significant Accounting Policies

(a) Statement of compliance and basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read along with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

(b) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost basis except for certain financial instruments which are measured at fair values.

(c) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, both financial and non-financial assets and liabilities.

Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between level of the fair value hierarchy unless the circumstances change warranting such transfers.

(d) Use of estimates and judgements

The Financial Statements are prepared in conformity with Ind AS, which requires management to make judgements, estimates and assumptions. This may affect the reported amount of assets, 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. Actual results could differ from those estimates.

Accounting estimates are reviewed at each Balance sheet date. Appropriate changes in estimates reflected in the financial statements in the period in which revisions are made and future period affected.

(e) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Company covers the duration of the specific project / contract / product line / service including the defect liability period wherever applicable.

(f) Revenue recognition

With effect from 1st April, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective, applied to contracts that were not completed as of 1st April, 2018. In accordance with this transition method, the comparatives have not been retrospectively adjusted. The following is revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant. (refer note 2.45)

The Company recognises revenue from the following major sources:

- (i) Sale of products,
- (ii) Construction Contracts
 - Construction revenue and
 - Operations and maintenance Income



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(i) Sale of products

The Company recognizes revenue from contracts with customers related to sale of goods, when the Company satisfies performance obligation. Performance obligation are satisfied at the point of time when the customer obtains control of the goods. The control of goods is transferred to the customer depending upon the incoterms.

Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it and has the primary responsibility when on selling the goods and it bears the risks of obsolescence and loss in relation to the goods.

(ii) Construction Contracts

The Company recognizes revenue from contracts with customers related to construction contracts over a period time when the Company's performance under contract does not create an asset with alternative use to the Company and the Company has enforceable right to the payment for performance completed to date.

Contract revenue is recognised in Statement of profit and loss in proportion to the stage of completion of the contract. The stage of completion is based on percentage of actual cost incurred / revenue recognised up to the reporting date to the total estimated cost / estimated revenue of the contract. If the contract is its early stage such that it may not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract

1 Performance obligation and transaction price (Fixed and variable)

At inception of the contract, Company assesses the goods or services promised in a contract with a customer and identifies each promise to transfer to the customer as a performance obligation which is either:

- a. a good or service (or a bundle of goods or services) that is distinct; or
- b. a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Based on the terms of the contract and as per business practice, the Company determines the transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. It excludes amount collected on behalf of third parties such as taxes. To separate performance obligation/s and for allocating transaction price significant judgement and estimates are applied.

The consideration includes both fixed and variable components. The fixed component refers to the contractually agreed price for completing construction contract. The variable component mainly includes escalations, liquidated damages and reimbursement if any. The Company estimates the amount of variable consideration based on current forecast information available by most like method, as appropriate, consistently throughout the contract when estimating the effect of an uncertainty on an amount of variable consideration to which the Company will be entitled.

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This is assessed based on likelihood and the magnitude of the revenue reversal.

2 Contract modifications

Contract modifications are accounted for when there is change in contract scope or contract price. Modifications or variations are recognised based on amount of estimate that the Company is entitled to and up to the extent that it is highly probable that significant reversals in amount of cumulative revenue will not occur.

Further, contract variations is considered as a part of a single performance obligation that is partially satisfied at the date of contract variations.

The effect that contract variation has on transaction price, and on the entities measure of progress towards of performance obligation, is recognised on cumulative catch up basis.

(iii) Dividend income

Dividend income from investment is recognised when the shareholder's right to receive the payment is established.

(iv) Interest and other income

Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate. Rental income from operating leases is generally recognised over the terms of the relevant lease. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(v) Government grants and subsidies

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

(g) Property, plant and equipment (PPE)

PPE are stated at original cost less net of tax / duty credits availed, if any, accumulated depreciation, and provision for impairment of losses, if any. Self-constructed / manufactured assets are capitalised at cost including appropriate overheads. Capital work in progress comprises of the cost of PPE that are not yet ready for their intended use as at the reporting date.

(h) Investment property

Properties held to earn rentals and / or capital appreciation are classified as investment property and measured and reported at cost less : depreciation and provision for impairment of losses if any, including transaction costs.

(i) Depreciation and Amortisation

Depreciation on the property, plant and equipment and investment property is recognised using written down value method on pro-rata basis as per the rates prescribed in Part C of Schedule II to the Companies Act, 2013. Individual low cost assets (acquired for ₹ 5000/- or less) are depreciated fully in the year of acquisition. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of future economic benefit. The estimated useful lives and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful lives / residual values is accounted on prospective basis.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis commencing from the date the assets are available to the Company for its use.

Depreciation charge for investment property is recognised using written down value method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation charge for impaired assets is provided on the revised carrying amount of the assets over its remaining useful life.

The management's estimate of useful lives are in accordance with the Schedule II of the Companies Act 2013, other than following asset, based on the Company's expected usage pattern :

Asset	Useful life
Mould	9 years

Freehold land is not depreciated.

(j) Intangible assets

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

(k) Impairment of assets

The carrying amounts of property, plant and equipment, investment property and intangible 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.

(l) Borrowing Cost

The borrowing cost is capitalised, when the cost is incurred and is directly attributable to either construction or acquisition or production of qualifying assets. It is capitalised as part of cost of the qualifying asset. Other borrowing cost, not directly attributable to qualifying asset is recognised as expenses in period in which it incurs.

Effective Interest Rate method as enumerated under Ind AS 39:Financial Instruments: Recognition and Measurement, is applied to calculate amount of interest cost eligible for capitalisation. Qualifying assets are those, which takes substantial amount of time for construction or production either for ready to use or intended to ready to use.

Capitalisation of the borrowing cost is commenced when

- expenditure is incurred on qualifying assets which has resulted in payment of cash,
- borrowing cost is incurred and
- necessary activities are undertaken to prepare the asset for intended use.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Capitalisation of borrowing cost is ceased, when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. When the construction of a qualifying asset is completed in parts and each part is capable of being used while construction continues on other parts, capitalisation of borrowing costs is ceased when it completes substantially all the activities necessary to prepare that part for its intended use.

(m) Research and Development

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

(n) Employee Benefits

A Defined Contribution Plan

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

B Defined Benefit Plan

- a Provident Fund: In respect of certain employees covered by the Employees Provident Fund, the contributions towards shortfall in interest rate payable as per statute and the earnings of the Provident Fund Trust is considered as Defined Benefit Plan and debited to Statement of Profit and Loss.
- b Gratuity and Leave Encashment: Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past Services are recognised on a Straight Line basis over the average period until the amended benefits becomes vested. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss as Income or Expense.
- c Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

C 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.

(o) Leases

Transition -

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. This has resulted in recognising lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

The Company has applied the standard with the cumulative impact recognised on the date of initial application. In accordance with this transition method, the comparatives have not been retrospectively adjusted. The following is revised significant accounting policies related to lease accounting. The effect of adoption of Ind AS 116 was insignificant. (refer note 2.46)

As a Lessee

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition using the practical expedient provided by the standard.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

Accounting Policy

(i) As a Lessor

The each lease is analysed and based on the substance of contract is classified as either finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Lease payments from operating leases are recognised as income on a straight line basis. Cost, including depreciation which is incurred in earning lease income is recognised as expenses. (refer note 2.2). Depreciation expenses applied on underlying asset is per the policy of depreciation of the Company.

(ii) As a Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- 1 the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the lessor has a substantive substitution right, then the asset is not identified.
- 2 the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3 the Company as a lessee has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - a) the Company as a lessee has the right to operate the asset; or
 - b) the Company as a lessee designed the asset in a way that predetermines how and for what purpose it will be used

This policy is applied to contracts entered into, or modified, on or after 1st April, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(p) Financial instruments

Financial assets and / or financial liabilities are recognised when the Company becomes party to the contractual provisions of the financial instruments.

A Financial assets

a Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

b Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate (“EIR”) method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. In respect of equity investments which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments / initial recognition for new equity instruments.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss (“ECL”) model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables and contract work in progress. Simplified approach recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between after contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

B Financial Liabilities

All financial liabilities including loans and borrowings are measured at amortised cost. A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

C Equity Instruments

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

(q) Inventories

The stock of raw materials, stores and bought out goods are valued at cost on FIFO basis or net realisable value whichever is lower.

Certain items of Pipe Laying and Auxiliary Equipment are classified as Loose Tools and 95% of their original cost is amortised equally over a period of five years.

Finished Goods including bought-out items not allocated to any particular contracts are valued at lower of cost on absorption method or net realisable value.

Uncovered finished pipes lying at Factory are devalued @25% annually.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Work-in-process are valued at cost or net realisable value whichever is lower.

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

(r) Earnings 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 earnings per share is the weighted average number of shares outstanding during the period.

(s) 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.

(t) 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.1 Property, plant and equipment

₹ in Lakhs

Particulars	Freehold land	Leasehold land	Leasehold improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross block									
Balance as at March 31, 2018	1161.26	0.02	-	3608.42	2903.19	128.53	672.28	46.65	8520.35
Additions	-	-	107.43	1002.46	989.83	103.89	235.34	46.33	2485.28
Adjustment (Refer Note iv)	0.19	-	-	12.09	-	(0.16)	-	-	12.12
Disposals / deductions	-	-	-	(2.41)	(7.93)	(7.43)	(10.66)	(4.95)	(33.38)
Balance as at March 31, 2019	1161.45	0.02	107.43	4620.56	3885.09	224.83	896.96	88.03	10984.37
Additions	1145.27	-	117.68	2316.13	2058.80	199.33	192.79	75.86	6105.86
Adjustment (Refer Note iv)	-	-	-	(77.63)	-	-	-	-	(77.63)
Disposals / deductions	(10.34)	-	-	(18.27)	(11.13)	(0.44)	(6.35)	(0.28)	(46.81)
Balance as at March 31, 2020	2296.38	0.02	225.11	6840.79	5932.76	423.72	1083.40	163.61	16965.79
Accumulated depreciation									
Balance as at March 31, 2018	-	-	-	596.23	856.62	39.20	118.67	16.66	1627.38
Additions	-	-	13.37	330.40	524.37	36.34	194.37	20.13	1118.98
Adjustment (Refer Note iv)	-	-	-	1.70	-	-	-	-	1.70
Disposals / deductions	-	-	-	-	(1.92)	(5.19)	(4.91)	(2.66)	(14.68)
Balance as at March 31, 2019	-	-	13.37	928.33	1379.07	70.35	308.13	34.13	2733.38
Additions	-	-	62.26	415.82	751.26	58.77	199.05	36.73	1523.89
Adjustment (Refer Note iv)	-	-	-	(31.78)	-	-	-	-	(31.78)
Disposals / deductions	-	-	-	-	(3.03)	(0.14)	-	-	(3.17)
Balance as at March 31, 2020	-	-	75.63	1312.37	2127.30	128.98	507.18	70.86	4222.32
Carrying Amount									
Balance as at March 31, 2019	1161.45	0.02	94.06	3692.23	2506.02	154.48	588.83	53.90	8250.99
Balance as at March 31, 2020	2296.38	0.02	149.48	5528.42	3805.46	294.74	576.22	92.75	12743.47

Notes:

- Freehold land and buildings with carrying amount of ₹ 7819.58 lakhs (March 31, 2019, ₹ 3542.06 lakhs) have been mortgaged to secure borrowings of the Company. [Refer note 2.16].
- Plant and machinery with carrying amount of ₹ 3805.46 lakhs (March 31, 2019, ₹ 2506.02 lakhs) have been hypothecated to secure borrowings of the Company. [Refer note 2.16].
- In addition, vehicles with carrying amount of ₹ 260.75 lakhs (March 31, 2019, ₹ 318.03 lakhs) have been hypothecated to secure vehicle loans of the Company. [Refer note 2.16].
- Adjustment includes transfer from investment property to buildings Nil (March 31, 2019, ₹ 10.23 lakhs - Gross Block ₹ 11.93 lakhs Accumulated Depreciation ₹ 1.70 lakhs), Free hold land Nil (March 31, 2019, ₹ 0.19 lakhs - Gross Block ₹ 0.19 lakhs Accumulated Depreciation Nil) and from buildings to investment property ₹ 45.85 lakhs - Gross Block ₹ 77.63 lakhs Accumulated Depreciation ₹ 31.78 lakhs (March 31, 2019, Nil)
- Following interest cost is capitalised by applying rate of capitalisation at rate of 9.87% p.a. on specific purpose borrowings (refer note 2.16)

	on assets capitalised	on capital work in progress	Total
March 31, 2020	97.01	66.82	163.83
March 31, 2019	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.2. Investment property

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Gross Block		
Balances at the beginning of the year	750.57	765.61
Additions	-	-
Adjustments (Refer Note III)	77.63	(15.04)
Disposal	-	-
Balances at the year end	828.20	750.57
Accumulated depreciation		
Balances at the beginning of the year	84.68	59.05
Additions	27.82	27.33
Adjustments (Refer Note III)	31.78	-
Disposal	-	-
Transfer to property plant and equipment	-	(1.70)
Balances at the year end	144.28	84.68
Carrying amounts of		
Investment in residential premises		
Balances at the beginning of the year	508.94	546.50
Additions	-	-
Adjustments (Refer Note III)	77.63	(10.23)
Disposal	-	-
Depreciation expenses (net)	(59.60)	(27.33)
Balances at the year end	526.97	508.94
Freehold land investment		
Balances at the beginning of the year	156.95	160.06
Additions	-	-
Adjustments (Refer Note III)	-	(3.11)
Disposal	-	-
Balances at the year end	156.95	156.95
Total	683.92	665.89
1 Direct Operating expenses arising from investment property that generated rental income during the year.	6.73	4.55
2 Direct Operating expenses arising from investment property that did not generated rental income during the year.	7.72	8.77
3 Rental income from investment property	56.18	61.65

Freehold land, buildings (residential property) with carrying amount of ₹ 683.92 lakhs (March 31, 2019, ₹ 665.89 lakhs) have been mortgaged against borrowings from banks. [Refer note 2.16].

Fair Value of investment property

Nature of property	As at March 31, 2020	As at March 31, 2019
Investment in residential premises	2484.97	2226.42
Freehold land investment	5587.70	5587.70

Notes:

- I The fair value of the Company's investment properties as at March 31, 2020, March 31, 2019 have been arrived at on the basis of a valuation carried out as on the respective dates, by an independent valuer not related to the Company, having appropriate recognised professional qualifications and experience in the category of the property being valued.
- II Valuation techniques and keys inputs to determine the fair value:

Level 3 - Fair valuation of residential premises has been done by sales comparison method under market approach for March, 2020 and March, 2019. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The sales comparison approach is preferred approach when sales data are available. Comparable properties are selected for similarity to the subject property considering attributes like age, size, shape, quality of construction, building features condition, design, gentry, etc. Finally a market value for the subject property if estimated from the adjusted sales price of the comparable properties.

Fair valuation of freehold land is based on Government rates, market trends and comparable values as considered appropriate



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- III Adjustment includes transfer from investment property to Property, plant & equipment [buildings] Nil (March 31, 2019, ₹ 10.23 lakhs - Gross Block ₹ 11.93 lakhs Accumulated Depreciation ₹ 1.70 lakhs), [Free hold land] Nil (March 31, 2019, ₹ 0.19 lakhs - Gross Block ₹ 0.19 lakhs Accumulated Depreciation Nil), Nil (March 31, 2019, ₹ 2.92 lakhs - Gross Block ₹ 2.92 lakhs Accumulated Depreciation Nil) to stock in trade and from Property, plant & equipment [buildings] to investment property ₹ 45.85 lakhs - Gross Block ₹ 77.63 lakhs Accumulated Depreciation ₹ 31.78 lakhs (March 31, 2019, Nil).

2.3 Intangible assets

₹ in Lakhs

Particulars	₹ in Lakhs		
	Computer Software	Patents	Total
Gross Block			
Balance as at March 31, 2018	133.10	0.01	133.11
Additions	-	-	-
Disposal	-	-	-
Balance as at March 31, 2019	133.10	0.01	133.11
Additions	33.13	-	33.13
Disposal	-	-	-
Balance as at March 31, 2020	166.23	0.01	166.24
Accumulated depreciation			
Balance as at March 31, 2018	37.81	-	37.81
Additions	27.03	-	27.03
Disposal	-	-	-
Balance as at March 31, 2019	64.84	-	64.84
Additions	25.20	-	25.20
Disposal	-	-	-
Balance as at March 31, 2020	90.04	-	90.04
Carrying amount			
Balance as at March 31, 2019	68.26	0.01	68.27
Balance as at March 31, 2020	76.19	0.01	76.20

Amortisation on intangible assets is included under depreciation and amortisation expenses in the statement of profit and loss.

2.4 Investments

₹ in Lakhs

Particulars	Quantity		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Quoted investments				
Investments in equity instruments, fully paid-up				
(Fair value through OCI) ^				
Hindustan Construction Co. Ltd (F.V. - ₹ 1 per share)	476800	476800	18.83	71.52
Tata Consultancy Services Ltd (F.V. - ₹ 1 per share)	8000	8000	146.09	160.13
National Thermal Power Corporation Ltd (F.V. - ₹ 10 per share)	20110	20110	16.93	27.09
Investments in debentures - at amortised cost				
8.49% National Thermal Power Corporation Ltd * (F.V. - ₹ 12.50 per share)	16759	16759	-	-
Total non-current investments			181.85	258.74

* The Company has received by way of bonus one (1) fully paid-up, secured, non-cumulative, non-convertible, redeemable, taxable debentures of face value of ₹ 12.50 each for every one (1) fully paid equity share of face value of ₹ 10.00 each of National Thermal Power Corporation Limited held as on March 23, 2015. These debentures carry interest coupon of 8.49% per annum.

^ In respect of equity investments which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in Other Comprehensive Income. Such an election is made by the Company on instrument by instrument basis at the time of transition for existing equity instruments / initial recognition for new equity instruments.

Valuation technique and key inputs used to determine the fair value equity instruments:

Level 1 - The fair value of the equity instruments which are not held for trading is obtained through the publicly available portal. This fair value of these instrument, represents the price at which the equity instruments are bought or sold at the Stock Exchanges.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.5 Trade receivables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Trade receivables considered good - unsecured	8589.40	6006.87
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	74.10	15.73
	8663.50	6022.60
Less : Allowance for expected credit loss	(74.10)	(15.73)
Total non-current	8589.40	6006.87
Current		
Trade receivables considered good - unsecured	62525.27	59855.94
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	433.94	332.14
	62959.21	60188.08
Less: Allowance for expected credit loss	(433.94)	(332.14)
Total current	62525.27	59855.94
Total trade receivables	71114.67	65862.81

Trade receivables includes retentions ₹ 43137.70 lakhs (March 31, 2019 ₹ 37200.95 lakhs)

Trade Receivables are hypothecated as security by creating 1st pari passu charge for securing working capital facilities loans from banks (refer note no. 2.16)

In accordance with Ind AS 109, the Company has used the practical expedient by computing the expected credit loss allowance for trade receivables by following simplified approach. The Expected credit loss model takes into account historical credit loss experience and adjusted for forward looking information.

The Company's customer profile includes government departments and large private corporates. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 36 to 60 months.

General payment terms include mobilisation advance, monthly progress payments and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank guarantees.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.6 Loans

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current (Unsecured, considered good)		
Security deposits	374.48	429.89
Total non-current	<u>374.48</u>	<u>429.89</u>
Current (Unsecured, considered good)		
Security deposits	213.44	174.44
Total current	<u>213.44</u>	<u>174.44</u>
Total loans	<u>587.92</u>	<u>604.33</u>
2.7 Other financial assets		
Non-current (Unsecured, considered good)		
Bank deposits *	3496.08	168.11
Interest accrued on deposits	28.53	10.23
Others ^	173.62	193.58
Total non-current	<u>3698.23</u>	<u>371.92</u>
Current (Unsecured, considered good)		
Interest accrued on deposits	41.44	42.76
Others ^	999.57	832.06
Total current	<u>1041.01</u>	<u>874.82</u>
Total other financial assets	<u>4739.24</u>	<u>1246.74</u>

Financial assets are hypothecated as security by creating 1st pari passu charge for securing working capital facilities loans (refer note no. 2.16)

* Bank deposits are earmarked against bank guarantees given for performance of the contracts with customers.

^ Others includes earnest money deposits and expenses reimbursement recoverable.

2.8 Deferred tax assets (net)

(A) Deferred tax liabilities		
On fiscal allowances on property, plant and equipment	135.30	216.72
On fair value on acquisition of land	130.02	130.02
On equity instruments designated at fair value through other comprehensive income	7.62	10.65
Total (A)	<u>272.94</u>	<u>357.39</u>
(B) Deferred tax assets		
On allowances for expected credit loss	210.44	162.60
On provision for employee benefits	166.30	113.68
On Leases under Ind AS 116	9.80	-
Disallowances under Income Tax Act, 1961	676.55	951.13
Total (B)	<u>1063.09</u>	<u>1227.41</u>
Total deferred tax assets (net) [(B) - (A)]	<u>790.15</u>	<u>870.02</u>

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.9 Income tax assets (net)

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advance payment of taxes	12729.02	10180.97
Less: Provision for taxation	(11601.27)	(9683.11)
Total income tax assets (net)	1127.75	497.86

2.10 Other assets

Non-current (Unsecured considered good)

Capital advances	1023.88	974.40
Indirect taxes receivable	5028.25	4970.45
Others ^	8.25	7.26
Total non-current	6060.38	5952.11

Current (Unsecured considered good)

Contract work in progress (net of progress payments received) (refer note 2.45)	77026.96	69917.00
Less: Allowances for expected credit loss	(328.11)	(117.30)
	76698.85	69799.70
Receivable on compulsory acquisition of land	558.24	558.24
Advance to suppliers / contractors	923.89	2270.63
Indirect taxes receivable	13023.92	7914.16
Others ^	1477.74	1344.79
Total current	92682.64	81887.52
Total other asset	98743.02	87839.63

Other assets are hypothecated as security by creating 1st pari passu charge for securing working capital facilities from bank (refer note no. 2.16)

^ Others includes security deposits and prepaid expenses.

2.11 Inventories

Raw materials, stores and spares		
Raw materials	1586.54	2103.65
Stores and spares	925.59	781.09
Loose tools	309.77	384.75
	2821.90	3269.49
Bought-out items	2991.74	1727.52
Finished goods and work in progress		
Finished goods	505.71	855.06
Work in progress	199.95	186.34
	705.66	1041.40
Stock in trade - land	1046.92	1046.92
Total inventories	7566.22	7085.33

The mode of valuation of inventory has been stated in note 1 (q) of significant accounting policy.

The cost of inventories recognised as expenses during the year was ₹ 20107.86 lakhs (March 31, 2019 ₹ 13461.91 lakhs)

Inventories are hypothecated as security by creating 1st pari passu charge for securing working capital facilities from banks (refer note no. 2.16)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.12 Cash and cash equivalents

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	14.41	15.21
Cheques on hand	-	71.96
Balances with banks in current accounts	1782.84	945.34
Total cash and cash equivalents	1797.25	1032.51

2.13 Bank balances other than cash and cash equivalents

Earmarked balances with banks for :

Margin money deposits ^	1297.99	2805.66
Unpaid dividend accounts	85.00	76.41

Total other bank balances

1382.99 **2882.07**

^ Earmarked against bank guarantees given for performance of the contracts with customers.

2.14 Equity share capital

Authorised Capital

100000000 (100000000) Equity shares of ₹ 2/- each.

2000.00 **2000.00**

Issued, subscribed and paid-up

48447170 (48447170) Equity shares of ₹ 2/- each fully paid-up.

968.94 968.94

a) Reconciliation of number of shares :

There was no movement in the number and value of equity shares during the year.

Particulars	No of shares	Amount
Balance as of April 01, 2018	48447170	968.94
Balance as of March 31, 2019	48447170	968.94

Particulars	No of shares	Amount
Balance as of April 01, 2019	48447170	968.94
Balance as of March 31, 2020	48447170	968.94

b) Of the above :

- 24223585 (24223585) equity shares fully paid-up have been issued as bonus shares by capitalisation of general reserve
- 872320 (872320) equity shares are held by ultimate holding Company Ratanchand Investment Pvt Ltd.

c) Aggregate number of bonus shares allotted during the period of immediately preceding 5 years.

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Equity shares allotted as fully paid Bonus shares	-	-	24223585	-	-

d) Terms / rights attached to shares :

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

e) Details of shares held by shareholders holding more than 5% of aggregate shares in the company :

Particulars	IHP Finvest Ltd.	
	No of shares	% held
Balance as of March 31, 2019	31934160	65.92
Balance as of March 31, 2020	31934160	65.92

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.15 Other equity

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	13797.29	13797.29
Retained earnings	41968.77	36990.28
Other comprehensive income	129.73	203.59
Total other equity	<u>55895.79</u>	<u>50991.16</u>
General reserve		
Balance at the beginning of the year	13797.29	13797.29
Balance at the end of the year	<u>13797.29</u>	<u>13797.29</u>
The general reserve is used from time to time to transfer the profits from retained earnings for appropriation purpose.		
Retained earnings		
Balance at the beginning of the year	36990.28	30358.05
<u>Movement during the year</u>		
<u>Add</u>		
Profit for the year	7340.84	8631.24
Gain/(Loss) on remeasurement defined benefit plans for the period	(259.75)	(13.22)
<u>Less</u>		
Final dividend	(1744.10)	(1647.20)
Tax on final dividend	(358.50)	(338.59)
Balance at the end of the year	<u>41968.77</u>	<u>36990.28</u>
The amount that can be distributed by the Company to its equity share holders is determined based on separate financial statement after considering the requirement of the Companies Act, 2013		
Reserve for equity instruments through other comprehensive income		
Balance at the beginning of the year	203.59	184.95
<u>Movement during the year</u>		
Fair value gain on investments in equity instrument at FVTOCI (net of taxes)	(73.86)	18.64
Balance at the end of the year	<u>129.73</u>	<u>203.59</u>
This reserve represents cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.16 Borrowings

Particulars	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured at amortised cost		
Term loan		
From banks	4343.80	122.37
From others	25.61	106.48
Total non-current borrowings	<u>4369.41</u>	<u>228.85</u>
Current		
Secured at amortised cost		
Loans repayable on demand from banks	7604.20	3193.24
Other loans from banks	42646.45	33900.10
Unsecured loans at amortised cost		
Short-term loans from banks	11000.00	10000.00
Total current borrowings	<u>61250.65</u>	<u>47093.34</u>
Total borrowings	<u>65620.06</u>	<u>47322.19</u>

Particulars	Rate of Interest	₹ in Lakhs	
		As at March 31, 2020	As at March 31, 2019
Non-current borrowings			
(a) Secured loans			
(i) <u>Term loan from banks</u>			
Specific purpose term loan from HDFC Bank Ltd	Floating 9.87%	4980.82	-
Secured by first charge on factory land, building, movable assets, commercial and residential property purchased, erected, constructed out of this loan This loan is repayable in 20 quarterly instalments of ₹ 250.00 lakh, over a period of 7 years; which has commenced from August 2020. Last instalment will due in May, 2025.			
Vehicle loan from Saraswat Co-operative Bank Ltd	Floating 8.50%	163.66	156.22
Secured by hypothecation of the vehicles. Such loans are repayable in equal monthly instalments of ₹ 4.73 lakh over a period of 5 years. (Previous year ₹ 3.83 lakh over a period of 5 years)			
(ii) <u>Term loan from others</u>			
Vehicle loan from Kotak Mahindra Prime Ltd	Fixed 9.25%	106.48	183.18
Secured by hypothecation of the vehicles. Such loans are repayable in equal monthly instalments of ₹ 7.53 lakh over a period of 5 years.			
Total Non-current borrowings		<u>5250.96</u>	<u>339.40</u>
Less: Current maturities of long term borrowings (refer note 2.18)		(881.55)	(110.55)
Total Non-current borrowings	(a)	<u>4369.41</u>	<u>228.85</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.16 Borrowings (Contd.)

₹ in Lakhs

Particulars	Rate of Interest	As at March 31, 2020	As at March 31, 2019
Current borrowings			
(b) Secured loans			
(i) <u>Loans repayable on demand (working capital demand loans)</u>			
Bank of Baroda	10.15%	1049.87	-
HDFC Bank Ltd	10.25%	4283.75	1487.81
Corporation Bank	10.25%	220.64	316.70
IDFC Bank Ltd	10.50%	149.34	900.64
ICICI Bank Ltd	9.70%	1900.60	-
State Bank of India	-	-	488.09
Total loans repayable on demand (including working capital demand loans)	(b) (i)	7604.20	3193.24
(ii) <u>Other short-term borrowings</u>			
State Bank of India	9.05% to 9.10%	10599.97	13400.10
Terms of repayment is 90 to 180 days from date of availing the loan.			
Bank of Baroda	8.55%	2500.00	2000.00
Terms of repayment is 90 days from date of availing the loan.			
HDFC Bank Ltd	8.95%	17500.00	17500.00
Terms of repayment is 180 days from date of availing the loan.			
IDFC Bank Ltd	10.50%	4246.48	1000.00
Terms of repayment is 90 to 180 days from date of availing the loan.			
ICICI Bank Ltd	9.30%	3000.00	-
Terms of repayment is 90 days from date of availing the loan.			
AXIS Bank Ltd	9.25%	4000.00	-
Terms of repayment is 180 days from date of availing the loan.			
Corporation Bank	9.65%	800.00	-
Terms of repayment is 180 days from date of availing the loan.			
Total secured loans repayable on demand	(b) (ii)	42646.45	33900.10
Total secured loans from banks [(b) (i) + (b) (ii)]	(b)	50250.65	37093.34
The above loans are secured by 1 st pari passu charge on the entire current assets of the Company and 2 nd pari passu charge on the Company's free-hold land, buildings and plant & machinery.			
(c) Unsecured short term loans from banks			
<u>Loans repayable on demand (working capital demand loans)</u>			
Kotak Mahindra Bank Ltd	8.90%	1000.00	1000.00
Terms of repayment is 90 days from date of availing the loan.			
Bank of Bahrain and Kuwait BSC	7.95% & 8.15%	5000.00	4000.00
Terms of repayment is 88 to 90 days from date of availing the loan.			
CITI Bank	8.35%	5000.00	-
Terms of repayment is 94 to 103 days from date of availing the loan.			
Federal Bank Ltd.	-	-	5000.00
Terms of repayment is 88 days from date of availing the loan.			
Total unsecured short-term loans from banks	(c)	11000.00	10000.00
Total borrowings	(a) + (b) + (c)	65620.06	47322.19



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.16 Borrowings (Contd.)

Reconciliation of liabilities from financing activities

₹ in Lakhs			
Particulars	Long Term borrowings	Short term borrowings	Total
Balance as at March 31, 2018 ^	917.12	33272.48	34189.60
Proceeds	79.89	121500.08	121579.97
Repayments	(657.61)	(107679.22)	(108336.83)
Fair value changes	-	-	-
Balance as at March 31, 2019 ^	339.40	47093.34	47432.74
Proceeds	5154.27	159495.28	164649.55
Repayments	(223.53)	(145337.97)	(145561.50)
Fair value changes (net)	(19.18)	-	(19.18)
Balance as at March 31, 2020 ^	5250.96	61250.65	66501.61

^ Long term borrowings includes ₹ 881.55 lakhs (March 31, 2019 ₹ 110.55 lakhs and March 31, 2018 ₹ 650.66 lakhs) of current maturities.

2.17 Trade Payables

₹ in Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
a) Total outstanding dues of micro and small enterprises	-	-
b) Total outstanding dues of creditors other than micro and small enterprises	2347.10	2054.61
Total non-current	2347.10	2054.61
Current		
a) Acceptances	6447.26	8087.18
b) Total outstanding dues of micro and small enterprises	1223.49	1694.14
c) Total outstanding dues of creditors other than micro and small enterprises	45265.85	39813.06
Total current	52936.60	49594.38
Total trade payable	55283.70	51648.99
The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. The disclosure pursuant to the said Act is as under :		
Principal amount due to suppliers under MSMED Act	1223.49	1694.14
Interest accrued and due to suppliers under MSMED Act on the above amount	13.31	1.26
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	6.66	5.40
Interest accrued and remaining unpaid at the end of the accounting year.	19.97	6.66

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.18 Other financial liabilities

Particulars	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Non current		
Others ^	1579.08	1575.41
Total non current	<u>1579.08</u>	<u>1575.41</u>
Current		
Current maturities of long term debt	881.55	110.55
Interest accrued on borrowings	284.64	246.71
Unpaid dividends	85.00	76.41
Employee benefits payable	1381.53	1410.63
Current account : Directors (refer note 2.33)	1.49	1.38
Others ^	0.36	1.82
Total current	<u>2634.57</u>	<u>1847.50</u>
Total other financial liabilities	<u>4213.65</u>	<u>3422.91</u>
^ Others includes security deposits		
2.19 Provisions		
Non-current		
Provision for compensated absences	532.56	369.35
Total non-current	<u>532.56</u>	<u>369.35</u>
Current		
Provision for compensated absences	286.29	504.75
Total current	<u>286.29</u>	<u>504.75</u>
Total provisions	<u>818.85</u>	<u>874.10</u>
2.20 Other liabilities		
Non-current		
Advances from contractees *	669.66	428.63
Others ^	1581.22	1082.64
Total non-current	<u>2250.88</u>	<u>1511.27</u>
Current		
Advances from contractees *	7792.52	10380.38
Statutory dues payable	506.57	560.97
Others ^	7777.86	10648.24
Total current	<u>16076.95</u>	<u>21589.59</u>
Total other liabilities	<u>18327.83</u>	<u>23100.86</u>
* Advances from contractees represents Contract Liabilities; which are payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.		
^ Other liabilities include security deposits and provision for expenses		
2.21 Current tax liabilities (net)		
Provision for taxation	520.59	5117.59
Less: Advance payment of taxes	-	(4494.57)
Total current tax liabilities (net)	<u>520.59</u>	<u>623.02</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.22 Revenue from operations

Particulars	₹ in Lakhs	
	For the year 2019-20	For the year 2018-19
Revenue from contract with customers		
Sales of products	10820.77	6802.27
Construction revenue	148937.35	156678.44
Operations and maintenance income	2302.42	974.67
Gross revenue from contracts with customers	162060.54	164455.38
Other operating income		
Sale of scrap	83.33	31.10
Miscellaneous income	218.36	66.29
	301.69	97.39
Total revenue from operations	162362.23	164552.77

2.23 Other income

Dividend income *	7.40	5.65
Interest income (on financial assets at amortised cost)		
Bank deposits	225.10	103.93
Others	84.43	76.16
Rental income		
From investment property (Refer note 2.2)	56.18	61.65
From others	62.69	51.77
Profit on sale of fixed assets (net)	62.90	16.95
Compensation for acquisition of land ^	-	831.45
Miscellaneous income	6.31	4.34
Total other income	505.01	1151.90

* Dividend income includes :

- from equity instruments (measured at FVTOCI) investments - ₹ 7.40 lakhs (March 31, 2019, ₹ 3.12 lakhs)
- from mutual funds (measured at FVTPL) - ₹ Nil (March 31, 2019, 2.53 lakhs)

^ Represents compensation received and fair value of land parcels acquired by government authorities through compulsory acquisition.

2.24 Cost of materials consumed

Raw materials consumed

Opening inventory	2103.65	1036.23
Add: Purchases during the year	12476.82	11244.14
	14580.47	12280.37
Less: Inventory at the end of the year	(1586.54)	(2103.65)
	12993.93	10176.72
Stores and spares consumed	864.73	920.42
Total cost of raw material consumed	13858.66	11097.14

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.25 Changes in inventories of finished goods, work in progress and stock in trade

		₹ in Lakhs	
Particulars	For the year 2019-20	For the year 2018-19	
I. (Increase) / decrease in finished goods and work in progress			
A) Stock at the beginning of the year			
Finished goods	855.06	1015.02	
Work-in-progress	<u>186.34</u>	<u>-</u>	
Total A	<u>1041.40</u>	<u>1015.02</u>	
B) Stock at the end of the year			
Finished goods	505.71	855.06	
Work-in-progress	<u>199.95</u>	<u>186.34</u>	
Total B	<u>705.66</u>	<u>1041.40</u>	
Net (increase) / decrease in finished goods and work in progress [(A) - (B)]	<u>335.74</u>	<u>(26.38)</u>	
II (Increase) / decrease in stock in trade - land			
A) Stock at the beginning of the year	1046.92	879.65	
Add: Transfer from investment property	-	2.92	
Add: Legal and professional charges	<u>-</u>	<u>164.35</u>	
	<u>-</u>	<u>167.27</u>	
B) Stock at the end of the year	1046.92	1046.92	
Net (increase) / decrease in stock in trade [(A) - (B)]	<u>-</u>	<u>(167.27)</u>	
Total changes in inventories of finished goods, work in progress and stock in trade	<u>335.74</u>	<u>(193.65)</u>	
2.26 Construction expenses			
Subcontracting expenses	64293.70	68443.89	
Consumption of bought out items			
Opening inventory	1727.52	884.04	
Add: Purchases during the year	<u>47189.74</u>	<u>50114.91</u>	
	<u>48917.26</u>	<u>50998.95</u>	
Less: Inventory at the end of the year	<u>(2991.74)</u>	<u>(1727.52)</u>	
	<u>45925.52</u>	<u>49271.43</u>	
Transport	2558.14	1667.10	
Total construction expenses	<u>112777.36</u>	<u>119382.42</u>	



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	For the year 2019-20	For the year 2018-19
2.27 Manufacturing and other expenses		
Fabrication and other charges	954.19	767.48
Lining and out coating expenses	144.43	195.90
Power & fuel	411.30	327.43
Total manufacturing and other expenses	<u>1509.92</u>	<u>1290.81</u>
2.28 Employee benefits expense		
Salary and wages	6739.02	6125.47
Contribution to provident fund and other funds	807.23	696.63
Compensated absences	22.79	211.50
Staff welfare expenses	262.31	251.89
Total employee benefits expenses	<u>7831.35</u>	<u>7285.49</u>
2.29 Finance costs		
Interest expenses on :		
Long term loans	312.41	51.27
Short term loans	4533.98	3373.87
Leases (Refer note 2.46)	79.80	-
Other borrowings	<u>1598.56</u>	<u>944.59</u>
	6524.75	4369.73
Bank guarantee charges	809.94	663.80
Other borrowing costs	323.79	324.02
Total finance costs	<u>7658.48</u>	<u>5357.55</u>
2.30 Depreciation and amortization expenses		
Depreciation on tangible assets	1523.89	1118.98
Depreciation on Right of Use of assets	268.06	-
Depreciation on investment property	27.82	27.33
Amortisation on intangible assets	25.20	27.03
Total depreciation and amortisation expenses	<u>1844.97</u>	<u>1173.34</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.31 Other expenses

Particulars	₹ in Lakhs	
	For the year 2019-20	For the year 2018-19
Printing and stationery	90.08	106.32
Communication expenses	68.20	73.36
Travelling and conveyance	711.72	751.94
Rent (Net)	272.54	527.46
Rates and taxes	1662.12	1829.09
Insurance	474.79	299.31
Repairs and maintenance	336.51	313.88
Legal and professional charges	560.62	418.20
Directors' sitting fees	33.00	38.40
Commission to non executive directors	54.00	56.00
Payment to auditors		
As auditor :		
For audit	35.00	32.00
For taxation matters	-	-
	<u>35.00</u>	<u>32.00</u>
For other services	19.45	27.00
Cost audit fees	1.20	1.20
Reimbursement of expenses	0.79	0.70
	<u>56.44</u>	<u>60.90</u>
Freight	1129.08	1261.40
Bad debts and advances written off	128.20	494.15
Allowance for expected credit loss (Refer note 2.5 & 2.10)	370.97	86.64
Donations	19.90	16.80
Expenses on CSR activity (Refer Note i below)	280.85	214.00
Miscellaneous expenses	765.81	536.97
Total other expenses	<u>7014.83</u>	<u>7084.82</u>

Notes :

- (i) a. The Company has incurred CSR expenditure of ₹ 280.85 lakhs (31st March 2019 ₹ 214.00 lakhs).
- b. The areas for CSR activities undertaken by the Company are health, medical aid, and education grants etc. The Company has formed its CSR Committee as per the Act and Rules thereon.
- c. The contribution for CSR activities to corpus of Ratanchand Hirachand Foundation, a Section 8 Company promoted by the promoters of the Company for undertaking CSR activities on behalf of the Company as per CSR Policy read with schedule VII of the Act.
- d. As per section of 135 of the Companies Act, 2013 (the Act) a company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years (calculated in accordance with the provisions of section 198 of the Act) on corporate social responsibility (CSR) activities/programs in terms of its CSR policy and schedule VII of the Act. The report on CSR activities and CSR expenditure incurred by the Company for the financial year 2019-20 is given in the Directors' Report.

2.32 Earnings per share

Number of shares (face value ₹ 2.00 per share)	Nos.	48447170	48447170
Profit after tax before exceptional items	₹ in lakhs	7340.84	8631.24
EPS - basic and diluted	₹	15.15	17.82



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.33 List of Related party transaction

Following are the related parties of the Company identified by the management

Holding Company

IHP Finvest Ltd.

Ultimate Holding Company

Ratanchand Investment Pvt Ltd

Key Management Personnel (KMP)

Mr Rajas R Doshi - Chairman and Managing Director

Mr Mayur R Doshi - Executive Director

Relatives of Key Management Personnel

Mrs. Jyoti R Doshi - Wife of Mr. Rajas R Doshi

Mr Aditya R Doshi - Son of Mr. Rajas R Doshi

Mrs. Anushree M Doshi - Wife of Mr. Mayur R Doshi

Enterprise over which KMP is able to exercise control / significant influence

Ratanchand Hirachand Foundation

Walchand Hirachand Foundation

Mobile Systems India Pvt Ltd

Raj Jyoti Trading & Investment Pvt Ltd

Smt. Pramila Shah Charity Foundation

Walchand Trust

Other related parties (Non-executive Directors)

Ms Anima B Kapadia

Mr Rajendra M Gandhi

Mr Rameshwar D Sarda

Mr N Balakrishnan

Mr Vijay Kumar Jatia

Mr P D Kelkar

Ms Sucheta N. Shah

Following is in list of transaction [expenses / (income)] undertaken during the year

					₹ in lakhs	
No	Relationship	Name of the party	Nature of transaction	For the year 2019-20	For the year 2018-19	
1	Key management personnel	Mr Rajas R Doshi	**Salary and perquisites	402.00	298.84	
			Commission	50.00	325.00	
		Mr Mayur R Doshi	**Salary and perquisites	208.97	172.03	
			Commission	150.00	178.00	
		Rent Income	(40.35)	(45.00)		
2	Relative of Key management personnel	Mrs. Jyoti R Doshi	Sitting Fees	3.00	3.60	
			Commission	9.00	8.00	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.33 List of Related party transaction (Contd.)

				₹ in lakhs	
No	Relationship	Name of the party	Nature of transaction	For the year 2019-20	For the year 2018-19
3	Holding Company	IHP Finvest Ltd.	Rent And Other Charges Paid	131.49	134.96
			Security Deposit	-	37.00
			Other charges received	(2.01)	(2.60)
4	Ultimate Holding Company	Ratanchand Investment Pvt Ltd.	Other Charges Received	(0.47)	(0.47)
5	Enterprise over which KMP is able to excise significant influence	Mobile Systems India Pvt Ltd.	Other Charges Received	(0.17)	(0.18)
		Raj Jyoti Trading & Investment Pvt Ltd.	Other Charges Received	(0.18)	(0.18)
		Ratanchand Hirachand Foundation.	Corpus Donation	270.85	214.00
			Other Charges Received	(0.21)	(0.21)
		Walchand Hirachand Foundation.	Other Charges Received	(0.21)	(0.21)
		Smt. Pramila Shah Charity Foundation.	Other Charges Received	(0.14)	(0.14)
	Walchand Trust.	Other Charges Received	(0.02)	(0.02)	
6	Other related party	Ms Anima B Kapadia	Legal fees	-	67.42
			Commission	9.00	8.00
			Sitting Fees	4.80	3.60
		Mr Rajendra M Gandhi	Commission	9.00	8.00
			Sitting Fees	7.80	7.80
		Mr Rameshwar D Sarda	Commission	9.00	8.00
			Sitting Fees	6.00	8.40
		Mr N Balakrishnan ^ ^	Commission	9.00	8.00
			Sitting Fees	3.00	3.60
		Mr Vijay Kumar Jatia	Commission	9.00	8.00
			Sitting Fees	7.80	6.60
		Mr P D Kelkar ^	Commission	-	8.00
Sitting Fees	-		4.80		
	Ms Sucheta N. Shah	Sitting Fees	0.60	-	

^ Passed away on 15th September, 2019.

^ ^ Ceased to be Independent Director upon completion of his term on 15th March, 2020.

** No separate actuarial valuation is obtained for amount paid to Key management personnel.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Summary of outstanding balances [payable / (receivable)] from related parties

Name of the party	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
Mr Rajas R Doshi *	50.00	325.00
Mr Mayur R Doshi **	150.00	178.00
Mrs. Jyoti R Doshi	9.00	8.00
IHP Finvest Ltd.	(2.60)	(2.60)
Ratanchand Investment Pvt Ltd	(0.47)	(0.47)
Mobile Systems India Pvt Ltd.	(0.18)	(0.18)
Raj Jyoti Trading & Investment Pvt Ltd	(0.18)	(0.18)
Ratanchand Hirachand Foundation	(0.21)	(0.21)
Walchand Hirachand Foundation	(0.21)	(0.21)
Smt. Pramila Shah Charity Foundation	(0.14)	(0.14)
Walchand Trust.	(0.02)	(0.02)
Ms Anima B Kapadia	9.00	8.00
Mr Rajendra M Gandhi	9.00	8.00
Mr Rameshwar D Sarda	9.00	8.00
Mr N Balakrishnan	9.00	8.00
Mr Vijay Kumar Jatia	9.00	8.00
Mr P D Kelkar	-	8.00

* In addition to the above, balance of current account held by Mr. Rajas R. Doshi with the Company ₹ 0.99 lakhs (March 31, 2019 ₹ 0.88 lakhs)

** In addition to the above, balance of current account held by Mr. Mayur R. Doshi with the Company ₹ 0.50 lakhs (March 31, 2019 ₹ 0.50 lakhs)

2.34 Movement of deferred tax assets / (liabilities)

	₹ In lakhs						
	Closing Balance March 31, 2018	Recognised In profit and Loss statement	Recognised In Other comprehensive Income	Closing Balance March 31, 2019	Recognised In profit and Loss statement	Recognised In Other comprehensive Income	Closing Balance March 31, 2020
Deferred tax assets / (liabilities)							
On fiscal allowances on property, plant and equipment	(234.23)	17.51	-	(216.72)	81.42	-	(135.30)
On fair value on acquisition of land	-	(130.02)	-	(130.02)	-	-	(130.02)
On Equity instruments designated at fair value through other comprehensive income	-	-	(10.65)	(10.65)	-	3.03	(7.62)
On Allowances for expected credit loss	131.26	31.34	-	162.60	47.84	-	210.44
On Provision for employee benefits	38.67	67.90	7.11	113.68	(41.53)	94.15	166.30
On Ind AS 116 - Leases	-	-	-	-	9.80	-	9.80
Disallowances under Income Tax Act, 1961	998.90	(47.77)	-	951.13	(274.58)	-	676.55
	934.60	(61.04)	(3.54)	870.02	(177.05)	97.18	790.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.35 Tax charged / (credit) recognised in profit or loss

₹ In lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax		
In respect of -		
Current year	2621.00	4589.98
Prior year	(102.96)	(55.51)
	2518.04	4534.47
Deferred tax		
In respect of -		
Current year	155.21	5.53
Prior year	21.84	55.51
	177.05	61.04
Total tax expenses recognised	2695.09	4595.51

2.36 Tax charged / (credit) recognised in other comprehensive income

On remeasurement of defined benefit plans	(94.15)	(7.11)
On long term capital gain on equity shares	(3.03)	10.65
Total tax expenses recognised	(97.18)	3.54

2.37 The reconciliation of estimated income tax expenses reported to income tax expenses at tax rate is as follows :-

Profit before tax	10035.93	13226.75
Applicable tax rate	25.17%	34.94%
Expected income tax expenses	2526.04	4621.96
i Effect of expenses / provisions not deductible in determining taxable income	15.28	43.02
ii Effect of income exempt from tax	(28.02)	(1.98)
iii Income chargeable at different rate	(0.93)	(65.02)
iv Change in rate of income tax	288.23	-
v Others	(105.51)	(2.47)
	169.05	(26.45)
Reported Income tax expenses	2695.09	4595.51



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.38 Note on Capital management and financial risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that it can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted) consistent with others in the industry.

Capital Structure of the Company is as follows

Particulars	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
Debt Funds *		
Long term borrowings (includes current maturities of long term borrowings)	5250.96	339.40
Short term borrowings	61250.65	47093.34
Own Funds	56864.73	51960.10

* Debt includes long term, short term borrowings and current maturities of long term borrowings

The Company maintains following ratios

Particulars	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
Total Debt to total equity	1.17	0.91
Long term debt to total equity	0.09	0.01
Short term debt to total equity	1.08	0.91
Capital gearing ratio	0.86	1.10

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

(i) Interest rate risk

The Company is working capital intensive and is rated in "A" band category due to which it is in a position to negotiate competitive pricing for its working capital requirement from Consortium member banks and also from outside consortium banks. The Company avails funds from the banks for a committed / fixed rate of interest for a longer tenure and as such the exposure of the Company towards interest rate volatility is minimized.

With regard to Term Loan, exposure of the Company is insignificant and hence does not pose much threat towards unforeseen and unprecedented & volatile interest risk.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
Term Loans	5250.96	339.40
Short Term working capital facilities	61250.65	47093.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.38 Note on Capital management and financial risk management (Contd.)

Sensitivity Analysis

Interest Rate Sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rate for both long term and short term borrowings. The following table demonstrates the sensitivity in interest rate with all other variable held constant. The sensitivity analysis has been done on the closing balance of the loans outstanding.

Particulars	Basis Point	₹ in lakhs	
		Effect on profit before tax	Effect on pre-tax equity
Term Loans			
Year ended March 31, 2020	+ 50 bps	(26.25)	-
Year ended March 31, 2019	+ 50 bps	(1.70)	-
Short Term working capital facilities			
Year ended March 31, 2020	+ 50 bps	(306.25)	-
Year ended March 31, 2019	+ 50 bps	(235.47)	-

If the change in rates declined by similar percentage, there will be opposite impact of similar amount on profit before tax and pre-tax equity effect.

(ii) Foreign currency risk

The Company has insignificant transaction in foreign currency hence the Company is not exposed to foreign exchange risk. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Sensitivity analysis

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

(iii) Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits.

As at March 31, 2020, the exposure to listed equity securities at fair value was ₹ 181.85 lakhs. These changes would not have a material effect on the profit or loss of the Company.

2 Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled work-in-progress, cash and cash equivalents.

- Credit risk on trade receivables and unbilled work-in-progress is limited as the customers of the Company mainly consist of the government entities having a strong credit worthiness. For other customers, the Company normally secures recoverability of dues by means of getting Letters of Credits established on first class banks in favour of the Company if the material is sold on credit or against receipt of advances from the customers for such supplies and unbilled work-in-progress.
- Credit risk on cash and cash equivalents is limited as the Company invest in deposits with banks mainly for the purpose of offering EMDs for the tenders floated by prospective customers.

Exposure to the credit risk of the Company is as follows :-

Particulars	₹ in lakhs	
	As at March 31, 2020	As at March 31, 2019
Trade Receivables	71114.67	65862.81
Contract work in progress	76698.85	69799.70
Margin money deposits	4794.07	2973.77
Total exposure to credit risk	152607.59	138636.28



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.38 Note on Capital management and financial risk management (contd.)

In accordance with Ind AS 109, the Company has used the practical expedient by computing the expected credit loss allowance for trade receivables by following simplified approach. The Expected credit loss model takes into account historical credit loss experience and adjusted for forward looking information. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

Movement in the expected credit loss allowance

Particulars	₹ In lakhs	
	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	465.17	378.53
Movement during the year	370.97	86.64
Balance at the year end	836.14	465.17

3 Liquidity Risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
Trade Payables	55283.70	51648.99
Borrowings	65620.06	47322.19
Other financial liabilities	3332.10	3312.36
Current maturities of long term loan	881.55	110.55
Total exposure to liquidity risk	125117.41	102394.09

The following tables details the Company's' remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principle cash flow.

Maturity profile of financial liabilities :-

Particulars	₹ In Lakhs		
	within 1 year	from 1 to 5 year	more than 5 years
As At March 31, 2020			
Trade Payables	42450.94	12832.76	-
Borrowings	61250.65	4369.41	-
Other financial liabilities	1673.68	1627.13	31.29
Current maturities of long term loan	881.55	-	-
	106256.82	18829.30	31.29
As At March 31, 2019			
Trade Payables	45611.85	5946.57	90.57
Borrowings	47093.34	228.85	-
Other financial liabilities	1713.77	1598.59	-
Current maturities of long term loan	110.55	-	-
	94529.51	7774.01	90.57

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.39 Category of financial instrument

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
(A) Financial assets		
<u>Measured at amortised cost (Refer note 1 below)</u>		
Trade receivables	71114.67	65862.81
Cash and Cash equivalents	1797.25	1032.51
Other bank balances	1382.99	2882.07
Loans	587.92	604.33
Other financial assets	4739.24	1246.74
	79622.07	71628.46
<u>Fair value through other comprehensive income</u>		
Non-current investments (quoted)	181.85	258.74
Total	<u>79803.92</u>	<u>71887.20</u>
(B) Financial liabilities		
<u>Carried at amortised cost (Refer note 1 below)</u>		
Borrowings	66501.61	47432.74
Trade payables	55283.70	51648.99
Other financial liabilities	3332.10	3312.36
Carried at FVTOCI	-	-
Total	<u>125117.41</u>	<u>102394.09</u>

Note 1

The assets and liabilities which are measured at amortised cost have same carrying value as at the period end.

2.40 Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

2.41 Financial assets hypothecated as security (Refer note 2.16)

The Company has availed fund and other non-fund based facilities which are secured by hypothecation of following financial assets :-

Particulars	₹ In Lakhs	
	As at March 31, 2020	As at March 31, 2019
Trade receivables	71114.67	65862.81
Other financial assets	4739.24	1246.74
Total	<u>75853.91</u>	<u>67109.55</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.42 Defined benefit plans - as per actuarial valuation as on March 31, 2020

The below disclosures are prepared as per requirements of Ind AS 19 to the extent of information available with the Company.

A Funded plan - Gratuity

₹ in lakhs

	Funded Plan	
	Gratuity	
	March 31, 2020	March 31, 2019
I Expenses recognised in statement of profit and loss for the year		
1 Current and Past Service Cost	122.01	112.88
2 Interest Cost (net of income)	4.18	2.42
3 Expected return on plan assets	-	-
Total expenses included in employee benefit expense	126.19	115.30
II Recognised in Other comprehensive income for the year		
1 Return on plan assets	(16.76)	(8.05)
2 Actuarial (gain) / loss arising from experience adjustment	370.66	28.38
Total Recognised in Other comprehensive income	353.90	20.33
III Net Assets / (Liability) recognised in the balance sheet as at		
1 Present Value of Defined Benefit Obligation	2,435.13	1,975.52
2 Fair Value of Plan Assets	1,955.04	1,866.63
3 Funded Status [Surplus/(Deficit)]	(480.09)	(108.89)
4 Net Asset/(Liability)	(480.09)	(108.89)
IV Change in Obligation during the year ended.		
1 Present value of Defined Benefit Obligation at the beginning of year	1,975.52	1,810.37
2 Current Service Cost	122.01	112.88
3 Interest Cost	123.14	132.07
4 Actuarial (Gains) / Losses	370.66	28.38
5 Benefits Payment	(156.20)	(108.18)
6 Present value of Defined Benefit Obligation at the end of year	2,435.13	1,975.52
V Change in Assets during the year ended.		
1 Plan Assets at beginning of the year	1,866.63	1,722.64
2 Expected return on Plan Assets	116.28	129.66
3 Contribution by Employers	111.57	114.47
4 Actual benefits paid	(156.20)	(108.18)
5 Actuarial Gains/(Losses) on Plan Assets	16.76	8.04
6 Plan Assets at end of the year	1,955.04	1,866.63
VI Actuarial Assumptions		
1 Discount Rate	6.80%	7.35% to 7.66%
2 Expected Rate of Return on plan assets	6.80%	7.66% - 7.35%
3 Mortality Pre-retirement	IALM (2012-14) Ult	IALM (2006-08) Ult
4 Rate of increase in compensation	4.00%	4.00%
5 Employee attrition rate		
	Staff	Labour
Age 21 to 30 :	18%	20%
Age 31 to 50 :	6%	7% to 12%
Age 51 to 59 :	10%	12%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.42 Defined benefit plans - as per actuarial valuation as on March 31, 2020 (Contd.)

A Funded plan - Gratuity

₹ in lakhs

		Funded Plan	
		Gratuity	
		March 31, 2020	March 31, 2019
VII	Sensitivity Analysis (Change in PVO in case change in)		
	DR - Discount rate		
	PVO DR + 1%	2349.22	1883.76
	PVO DR - 1%	2530.73	2080.53
	ER - Salary escalation rate		
	PVO ER + 1%	2531.80	2080.76
	PVO ER - 1%	2346.72	1882.78
VIII	Expected pay-out		
	Year 1	1038.61	662.81
	Year 2	301.40	123.29
	Year 3	254.24	176.96
	Year 4	237.21	179.97
	Year 5	177.54	149.39
	After Year 5	1381.72	671.53

B Funded plan - Provident fund

₹ in lakhs

		Funded Plan	
		Provident Fund	
		March 31, 2020	March 31, 2019
I	Expenses recognised in statement of profit and loss for the year		
	1 Current and Past Service Cost	-	-
	2 Interest Cost (net of income)	-	-
	3 Expected return on plan assets	-	-
	Total expenses included in employee benefit expense	-	-
II	Recognised in Other comprehensive income for the year		
	1 Return on plan assets	-	-
	2 Actuarial (gain) / loss arising from experience adjustment	-	-
	Total Recognised in Other comprehensive income	-	-
III	Net Assets / (Liability) recognised in the balance sheet as at		
	1 Present Value of Defined Benefit Obligation	-	-
	2 Fair Value of Plan Assets	-	-
	3 Funded Status [Surplus/(Deficit)]	-	-
	4 Net Asset/(Liability)	-	-
IV	Change in Obligation during the year ended.		
	1 Present value of Defined Benefit Obligation at the beginning of year	-	-
	2 Current Service Cost	-	-
	3 Interest Cost	-	-
	4 Actuarial (Gains) / Losses	-	-
	5 Benefits Payment	-	-
	6 Present value of Defined Benefit Obligation at the end of year	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.42 Defined benefit plans - as per actuarial valuation as on March 31, 2020 (Contd.)

B Funded plan - Provident fund

₹ in lakhs

		Funded Plan Provident Fund	
		March 31, 2020	March 31, 2019
V	Change in Assets during the year ended.		
1	Plan Assets at beginning of the year	6,284.56	5,554.15
2	Expected return on Plan Assets	532.31	486.14
3	Contribution by Employers	798.00	661.18
4	Actual benefits paid	(588.45)	(416.91)
5	Actuarial Gains/(Losses) on Plan Assets	-	-
6	Plan Assets at end of the year	7,026.42	6,284.56
VI	Actuarial Assumptions		
1	Discount Rate	5.59%	7.66%
2	Expected Rate of Return on plan assets	5.59%	7.61%
3	Mortality Pre-retirement	IALM (2012-14) Ult	IALM (2006-08) Ult
4	Rate of increase in compensation	4.00%	4.00%
5	Employee attrition rate	PS 1 to 5 : 19% PS 5 to 10 : 7% PS 10 to 40 : 5%	

C Through its gratuity fund the Company is exposed to a number of risks, the most significant of which are detailed below -

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, in case of gratuity fund, this will be partially offset by an increase in the return on the fund's assets

Longevity risk

The present value of Gratuity fund and leave plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the Gratuity fund and leave plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

Funded plans being managed by insurers, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

2.43 Research and Development Expenditure

The revenue expense on research and development during the year under various heads amounts to ₹ 386.73 lakhs (March 31, 2019 ₹ 365.57 lakhs)

2.44 Contingent liabilities and commitments (to the extent not provided for) :

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
1 Claims against the Company not acknowledge as debts comprise of claims disputed by the Company relating to issue of applicability, classification, deductibility, etc.		
a. Claims against the company not acknowledged as debts	12.50	9.02
b. Sales tax / VAT demand under appeal	43.54	231.31
c. Demands raised by Excise department excluding interest, if any, leviable thereon.	197.04	109.34
d. Service tax demand under appeal	310.11	299.76
The management believes that the outcome of any pending litigation will not have a material adverse effect on the Company's financial position and the results of operations. In respect of above, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flow, if any.		
2 Capital at commitments for capital expenditure are estimated	270.05	613.96

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.45 Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

₹ in lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
CONTRACT WITH CUSTOMERS		
Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
Revenue from operations		
• Sale of goods	10820.77	6802.27
• Construction contracts	148937.35	156678.44
• Rendering of services - Operation and maintenance income	2302.42	974.67
	<u>162060.54</u>	<u>164455.38</u>
Impairment loss on contract assets / trade receivables recognised in the Statement of profit and loss based on evaluation under Ind AS 109 (refer note 2.38)	370.97	86.64
Disaggregate Revenue		
The table below presents disaggregated revenues from contracts with customers by contract-type or customer type and timing of recognition. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.		
<u>Revenue based on market or customer type</u>		
Government / bodies established by Government	155558.96	159757.89
Non-Government	6501.58	4697.49
	<u>162060.54</u>	<u>164455.38</u>
<u>Revenue based on its timing of recognition</u>		
Point in time	10820.77	6802.27
Over a period of time	151239.77	157653.11
	<u>162060.54</u>	<u>164455.38</u>

The Company derives its revenue from the transfer of goods and services over time in its major contracts.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

₹ in lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Assets		
Contract work in progress *	76698.85	69799.70
Total contract assets (A)	<u>76698.85</u>	<u>69799.70</u>
Contract Liabilities		
Advance from contractees **	8462.18	10809.01
Total contract liabilities (B)	<u>8462.18</u>	<u>10809.01</u>
Net Contract Balances (A) - (B)	<u>68236.67</u>	<u>58990.69</u>

* Contract assets includes amounts related to our contractual right to consideration for completed performance obligations not yet invoiced.

** Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

Significant changes in the contract asset balances

Increase in contract balances amounting to ₹ 9245.98 lakhs, is primarily due to higher revenue recognition over invoicing during the year.

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied.

₹ in lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
• Construction contracts ^	297783.11	411202.06

^ Balance work will be recognized over a period as per respective contract duration.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.46 Leases as per Ind AS 116 :-

As a Lessee

The lease portfolio of the Company consists of agreements which falls under operating lease categories. These lease commitments primarily consists lease rent payments for Corporate office, project offices and staff accommodation. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. This has resulted in recognising a right-of-use (ROU) of asset and equivalent lease liability. The Company has applied the standard with the cumulative impact recognised on the date of initial application.

Changes in the carrying value of Right-Of-Use (ROU) assets during the year:

₹ in Lakhs	
Particulars	As at March 31, 2020
Balance as at April 1, 2019	926.81
Additions	30.57
Reclassified on Ind AS 116 adoption	6.88
Deletions	(6.32)
Accumulated Depreciation	(261.75)
Balance as at March 31, 2020	<u>696.19</u>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

Asset Class-wise right of use assets for the year ended March 31, 2020 are as follows :

₹ in Lakhs	
Particulars	As at March 31, 2020
[A] Buildings	
Balance as at April 1, 2019	926.81
Additions	30.57
Reclassified on Ind AS 116 adoption	-
Deletions	(6.32)
Accumulated Depreciation	(261.64)
Balance as at March 31, 2020	<u>689.42</u>
[B] Land	
Balance as at April 1, 2019	-
Additions	-
Reclassified on Ind AS 116 adoption	6.88
Deletions	-
Accumulated Depreciation	(0.11)
Balance as at March 31, 2020	<u>6.77</u>
Total Right of Use of assets [A] + [B]	<u>696.19</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.46 Leases as per Ind AS 116 :- (Contd.)

Movement in lease liabilities during the year :

Particulars	₹ in Lakhs
	As at March 31, 2020
Balance as at April 1, 2019	926.81
Additions	30.57
Finance cost accrued during the year	79.80
Deletions	-
Payment of lease liabilities	(306.34)
Balance as at March 31, 2020	730.84

The following is the break-up of current and non-current lease liabilities

Particulars	₹ in Lakhs
	As at March 31, 2020
Current lease liabilities	234.84
Non-current lease liabilities	496.00
Total	730.84

Details regarding the contractual maturities of lease liabilities :

Particulars	₹ in Lakhs
	As at March 31, 2020
Less than one year	234.84
One to three years	496.00
More than three years	-
Total	730.84

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 322.90 lacs for the year ended March 31, 2020.

As a Lessor

The lease portfolio of the Company consists of agreements which falls under operating lease categories. These primarily consists lease rent payments mainly for flats and lands classified as investment properties. The Company has recognised the rental income on straight line basis over a period of lease tenure.

Rental income recorded for leases on straight line basis was ₹ 64.02 lacs for the year ended March 31, 2020.

Details regarding the contractual maturities of lease payments to be received :

Particulars	₹ in Lakhs
	As at March 31, 2020
Less than one year	63.13
One to three years	47.95
More than three years	-
Total	111.08

Rental income recorded for short-term leases was ₹ 49.85 lacs for the year ended March 31, 2020.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.47 The Company operates in one Reportable Segment namely 'Construction'. The entity has thus organised its internal reporting structure, whereby the Chief Operating Decision Maker (CODM) evaluates the business activities and operating results of the remaining activities under one single segment namely 'Construction'.

2.48 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The COVID-19 spread has severely impacted businesses around the world. In many countries, including India, there has been severe disruption to regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The Company has resumed its business operations in a phased manner as per Government directives.

The Company has made a detailed assessment of its liquidity position for one year and of the recoverability and carrying value of its assets including Property, Plant and Equipment, Trade Receivables, Inventory and Investments as at the Balance Sheet date, and has concluded that there are no material adjustments required in the Financial Statements for the year ended March 31, 2020.

(a) Trade Receivables :

In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers, macroeconomic forecasts and internal and external information available up to the date of issuance of these financial statements to estimate the probability of default in future as a effect of the pandemic relating to COVID-19.

(b) Inventories :

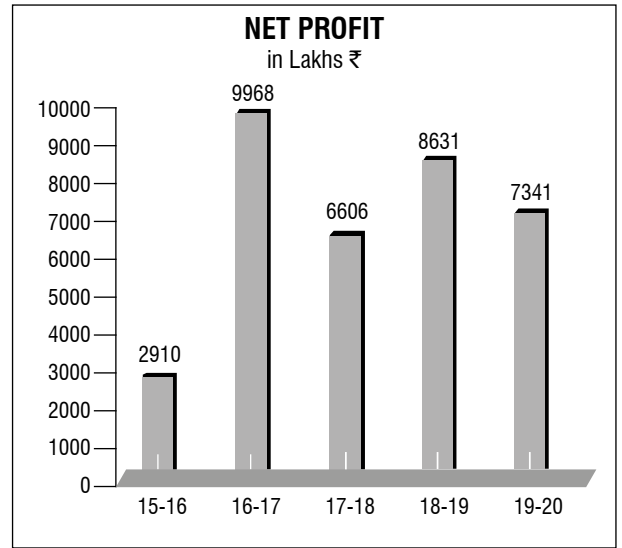
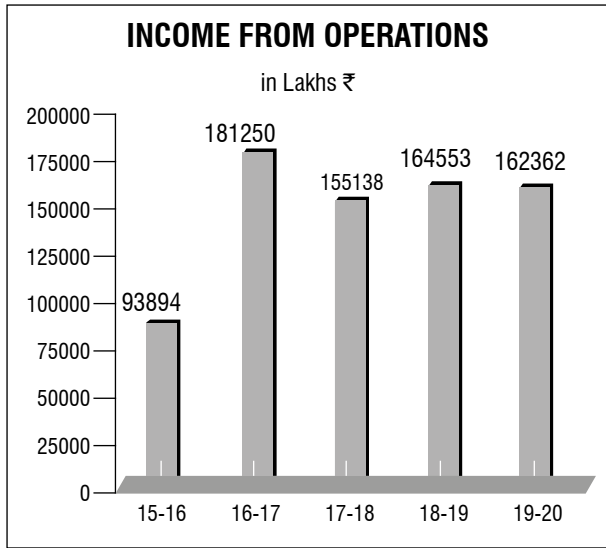
In assessing the recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins adjusted to reflect current and estimated future economic conditions also taking into account estimates of possible effect from the pandemic relating to COVID-19.

The physical verification of inventories is conducted by the Management during the year at reasonable intervals (quarterly intervals). On account of the COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, only at certain locations. Subsequent to the year end, the management has carried out other procedures to validate the existence of its inventory as at the year end, such as carrying out stock movement analysis, performing roll-back procedures post year end physical verification date to determine the quantities of the inventory at the balance sheet date.

(c) Revenue from Contracts with Customers :

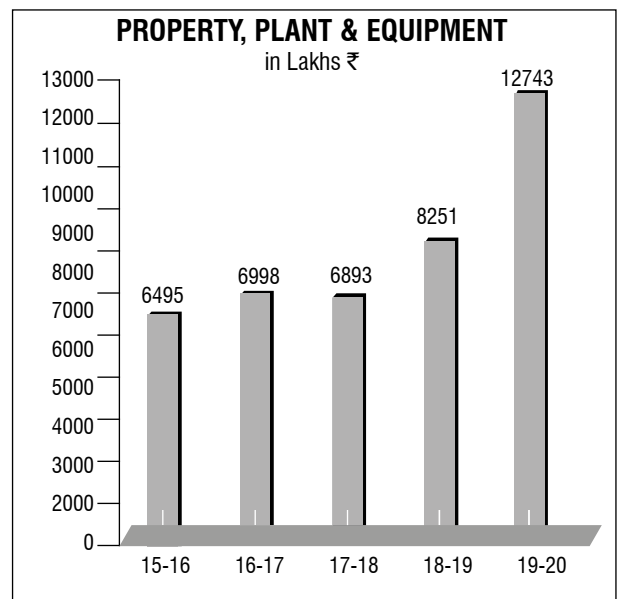
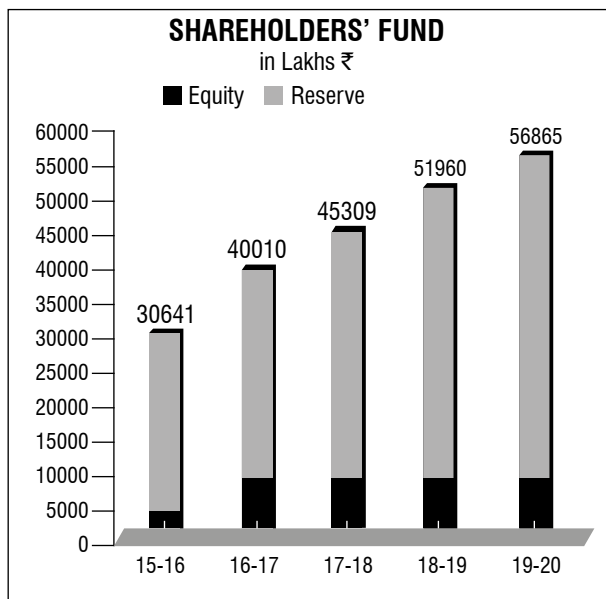
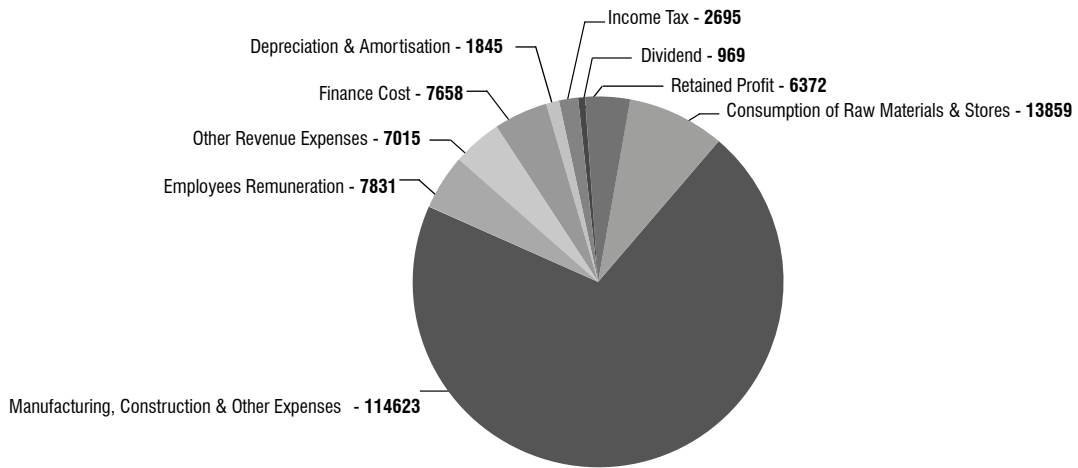
The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfil the pending obligations (ii) penalties, if any, relating to breaches of agreements and (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Financial Statements for the year ended March 31, 2020. However, the estimated impact of global health pandemic might vary from the date of approval of these financial statement and the Company will continue to monitor any material changes to future economic conditions.



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in Lakhs ₹



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The Indian Hume Pipe Co. Ltd.

Regd. Office: Construction House, 5, Walchand Hirachand Road, Ballard Estate, Mumbai - 400 001.

Tel.: 91 22-2261 8091 / 40748181 | Fax: 91 22-2265 6863 | E-mail: info@indianhumpipe.com

Website: www.indianhumpipe.com