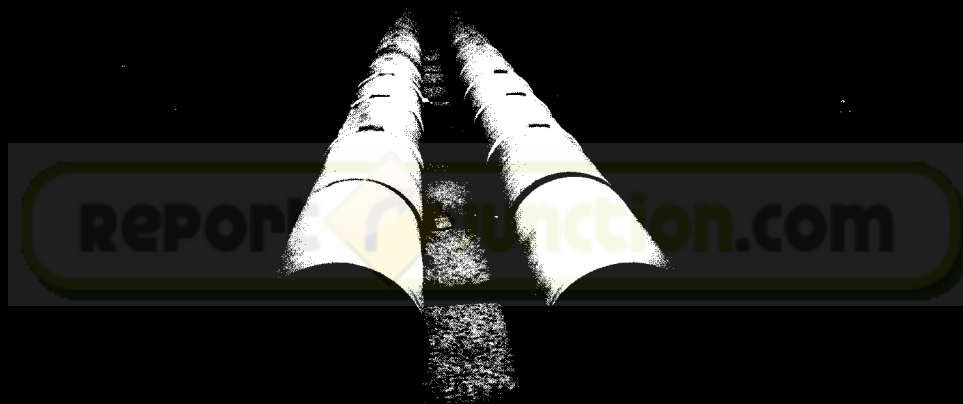


ANNUAL REPORT
2002 - 2003



THE INDIAN HUME PIPE CO. LTD.



4480mm & 7800mm dia Penstock pipes erection work is in progress for Almatti Dam Power Project in Karnataka State. The total tonnage involved is 1230 M.T., valued at Rs. 486 Lacs.



900mm dia. 24 kg/cm² pressure PSC pipe laying in progress for the 42 kms. long water supply pipeline under Churu-Bissau Project in Rajasthan valued at Rs. 2613 Lacs.

Board of Directors

Mr. Rajas R. Doshi *Chairman & Managing Director*
 Mr. Ajit Gulabchand
 Ms. Jyoti R. Doshi
 Mr. Rajendra M. Gandhi
 Mr. Rameshwar D. Sarda
 Mr. N. Balakrishnan
 Ms. Anima B. Kapadia
 Mr. Vijay Kumar Jatia

Company Secretary

Mr. Narendra R. Jain

Executives

Mr. P. D. Kelkar *Sr. General Manager (Prestressed Concrete Division)*
 Mr. P. R. C. Nair *Sr. General Manager (Research & Development Division)*
 Mr. S. K. Soman *Sr. General Manager*
 Mr. P. R. Bhat *Sr. General Manager*
 Mr. S. G. Khaladkar *Controller of Accounts & Finance*
 Mr. B. S. Narkhade *Chief Auditor*
 Mr. P. H. Mali *Personnel Manager*

Auditors

M/s K. S. Aiyar & Co., Chartered Accountants,
 Janmabhoomi Bhavan, 4th floor,
 24/26 Janmabhoomi Marg, Fort, Mumbai - 400 001.

Solicitors & Advocates

M/s Daphtary Ferreira & Divan, Mumbai
 M/s Kanga & Company, Mumbai

Bankers

State Bank of India,
 Bank of Baroda,
 State Bank of Hyderabad,
 The South Indian Bank Ltd.

Registered Office

Construction House, 2nd floor,
 5, Walchand Hirachand Marg,
 Ballard Estate, Mumbai 400 001
 Telephone Nos. 22618091/22618092
 Fax: 22656863
 email : info@indianhumepipe.com
 Website : www.indianhumepipe.com

Annual General Meeting

On Saturday, the 26th July, 2003 at 11-30 A.M.
 At Walchand Hirachand Hall, Indian Merchants
 Chamber Building, Churchgate, Mumbai 400020

NOTICE

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

DAY	:	SATURDAY
DATE	:	26TH JULY, 2003
TIME	:	11 -30 A. M.
PLACE	:	Walchand Hirachand Hall, Indian Merchants Chamber Building, 4th floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020

To transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2003, 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 2,90,683 Equity Shares of the company for the year ended 31st March, 2003.
3. To appoint a Director in place of Mr. Ajit Gulabchand, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Jyoti R. Doshi, who retires by rotation and being eligible, offers herself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any of the Companies Act, 1956 M/s. K. S. Aiyar & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to do both continuous and final audit of the Company's accounts for the Financial Year 2003-04 on a remuneration of Rs.1,00,000/- (Rupees One Lac only) and that they be paid, in addition, any out of pocket and/or travelling expenses they may incur in carrying out their duties as such Auditors."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorised to fix the remuneration payable to Auditors, M/s. K. S. Aiyar & Co., Chartered Accountants in respect of branches of the Company to be audited by them for the Financial Year 2003-04."

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII as amended up-to-date and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals/sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Mr. Rajas R Doshi as the Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from 1st July, 2003 on the remuneration and perquisites and on other terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as are set out in the draft Agreement to be entered into between the Company and Mr. Rajas R. Doshi, a copy whereof initialled by a Director of the Company for the purpose of identification is placed before this meeting which agreement is hereby specifically approved with liberty and power/authority to the Board of Directors (including Remuneration Committee) to increase, alter or vary the terms of the remuneration and perquisites including monetary value thereof as set out in the Agreement at any time and from time to time and in such manner as the Board of Directors may deem fit and as may be agreed to between the Directors and Mr. Rajas R. Doshi so as not to exceed the maximum limit for the payment of remuneration specified in schedule XIII to the Act or any amendment thereto.

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

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

"RESOLVED that pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 1956 and subject to such applicable provision if any, of the securities contracts (Regulation) Act, 1956, SEBI and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ('the Board' which term shall be deemed to include any committee thereof), the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from the Pune Stock Exchange, Pune.

NOTICE

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution:

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its committees or any of its Directors or any of the officers of the Company to do all such acts, deeds or things to give effect to the aforesaid resolution."

By Order of the Board of Directors,

NARENDRA R. JAIN

Company Secretary

Registered Office:

Construction House,
5, Walchand Hirachand Marg,
Ballard Estate,
Mumbai 400 001
Dated: 18th June, 2003.

NOTES:-

- (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item Nos.6 & 7 is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding this Annual General Meeting.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 19th July, 2003 to Saturday, 26th July, 2003 (both days inclusive).
- (d) The Dividend, if sanctioned, will be payable to those Members, whose names appear on Company's Register of Members as on 26th July, 2003.
- (e) Shareholders who hold shares in dematerialised form may please note that the Company will be mandatorily printing on the dividend warrants as advised by the Securities and Exchange Board of India, the shareholder's bank account details as furnished by the respective Depositories to the Company. The Company will not act on any request received directly from shareholders for any change in their bank account details.

Shareholders who hold shares in physical form are requested to forward particulars of their respective bank account numbers with full name of the bank, account number and nature of account to Company's Registered office, which would enable the Company to print on the dividend warrants the details of bank accounts of the shareholders. This would help to avoid fraudulent encashment of dividend warrants.
- (f) As required under the listing Agreement, a brief write up is reproduced below in respect of the two Directors whose re-appointment is placed before this AGM.
 - i) Mr. Ajit Gulabchand, (55 yrs.), is associated with the Company as Director since 1993. He has experience of more than 30 years in the Industry and is the Chairman & Managing Director of M/s. Hindustan Construction Co. Ltd. He is on the Board of many Public Limited Companies like Bajaj Electricals Ltd., RPG Life Sciences Ltd., Hindustan Finvest Ltd., HCC Infotech Ltd., HCC Infotech INC., Hicon Technoconsult Ltd., Hicon Holdings Ltd., Hicon International Ltd., Ucchar Investment Ltd., Western Securities Ltd. and The Lake City Corporation Ltd.
 - ii) Ms. Jyoti R. Doshi, (49 yrs.), is associated with the Company as Director since 1996. She has experience of more than 7 years in the Industry and is also a Director of IHP Finvest Ltd. She is associated as Co-chairman of Social Welfare & Education Sub-committee of Indian Merchant Chambers (Ladies wing). She was the president of Inner Wheel Club of Bombay and was also the president of ladies wing of Maharashtra Chamber of Commerce & Industry.
- (g) In accordance with the provisions of Section 205A of the Companies Act, 1956 the Company has transferred unclaimed Dividend upto the Financial Year ended 31st March, 1995, to the General Revenue Account of the Central Government. Members, who have valid claims to any of the unclaimed Dividend referred to above, may claim the same from the Registrar of Companies, Maharashtra, Mumbai in the prescribed manner.
- (h) As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to the shareholders and fixed deposit-holders in respect of the shares and deposits held by them. Nomination forms can be obtained from the Secretarial Department of the Company.

NOTICE

- (i) Members are requested to notify immediately change in their Address, if any to the Registered Office of the Company.
- (j) Members are requested to bring the copies of the Annual Report at the time of attending the Annual General Meeting.
- (k) Members/Proxy-holders are requested to produce at the entrance of the hall Admission Slip forwarded to them, duly completed and signed, in accordance with the specimen signature registered with the Company for admission to the Meeting Hall.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956

ITEM NO.6 :

Mr. Rajas R. Doshi was appointed as the Chairman & Managing Director of the Company for a period of Five Years from 1st July, 1998 and his term expires on 30th June, 2003. The Board of Directors of the Company have reappointed Mr. Rajas R. Doshi as the Chairman & Managing Director of the Company for a further period of 5 years with effect from 1st July, 2003 to 30th June, 2008 at its meeting held on 18th June, 2003.

The principal terms and conditions regarding the payment of remuneration and perquisites proposed to be paid to Mr. Rajas R. Doshi from 1st July, 2003 are set out in the draft Agreement placed before the meeting for its approval. The said terms were approved by the remuneration committee of the Company and on its recommendation, the same was approved by the Board of Directors of the Company, subject to the approval of the shareholders of the Company at the ensuing AGM.

The Directors recommend the reappointment of Mr. Rajas R. Doshi as Chairman & Managing Director of the Company for the aforesaid period of 5 years for the approval of the Members.

The material provisions of the draft agreement are as follows:

1. Period of Agreement :

5 (Five) years from 1st July, 2003

2. Remuneration :**A. Salary :**

a) Rs.1,25,000/- per month in the scale of Rs.1,25,000-25,000-2,25,000/-

B. Perquisites and Allowances :

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

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

- 1) The Company shall provide car with driver for use by Chairman & Managing Director and shall also provide at his residence telephone(including payment for local calls and long distance official calls), telefax and other communication facilities. These provisions shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- 2) The Chairman & Managing Director will be entitled for privilege leave on full pay and allowances and/or encashment thereof as per rules of the Company.
- 3) The following perquisites shall not be included in the computation of the ceiling on remuneration specified above :
 - i. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income-Tax Act;
 - ii. Gratuity payable as per the rules of the Company
 - iii. Encashment of leave at the end of the tenure.

C. Commission

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



EXPLANATORY STATEMENT**D. Minimum Remuneration**

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

The Chairman & Managing Director shall subject to the supervision and control of the Board of Directors, be in overall charge of Company's activities and shall perform such other duties and services and exercise such other powers as shall from time to time, be entrusted to him by the Board of Directors.

The Chairman & Managing Director shall not be paid any sitting fees for attending any meeting of the Board or committee thereof.

The resolution alongwith the above Explanatory Statement be treated as an abstract of the draft Agreement proposed to be entered into by the Company with Mr. Rajas R. Doshi, Chairman & Managing Director of the Company under Section 302 of the Companies Act.

The said draft Agreement is available for inspection of the members of the Company on any working day of the Company upto 25th July, 2003 between 11.00 a.m. and 1.00 p.m. at the registered office of the Company.

Mr. Rajas R. Doshi and Ms. Jyoti R. Doshi, who is his wife, may be deemed to be concerned or interested in this resolution. Save and except the above, none of the other Directors of the company is, in any way, concerned or interested in this resolution.

ITEM NO.7 :

Presently the Company's Equity Shares are listed on the following three Stock Exchanges in India :

- i) The Stock Exchange, Mumbai (BSE)
- ii) The National Stock Exchange (NSE) and
- iii) The Pune Stock Exchange, Pune

It has been observed that most of the trading in the Company's Equity Shares takes place on the BSE and the NSE. Further during the last 2 (two) years, not a single transaction in respect of Company's Equity Shares has taken place on the Pune Stock Exchange.

Owing to the expansion of BSE and emergence of NSE and their extensive networking and the extension of their terminals to other cities including Pune investors have access to online dealings in the Company's securities across the country.

The Company's Equity Shares are one of the scrips which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors since 26th December, 2000. Accordingly, there is no physical movement of share certificates in transactions taking place on the Stock Exchanges.

The Company has been spending money on listing fees, advertisement in newspapers in consonance with the various provisions of the Listing Agreements, facsimile communication, etc. with the Pune Stock Exchange and no particular benefit is derived by the shareholders of the Company by continuing the listing of the Equity Shares on the Pune Stock Exchange.

In these circumstances, it may be considered more prudent to delist the Equity Shares of the Company from the Pune Stock Exchange. The Company's Equity Shares, however, will continue to be listed on BSE and NSE.

In view of the connectivity of BSE and NSE and due to the availability of trading facilities in most of the cities across the country including Pune, the proposed delisting of the Company's Equity Shares on the said Pune Stock Exchange will not prejudicially affect the interest of the investors.

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

By Order of the Board of Directors,

NARENDRA R. JAIN

Company Secretary

Registered Office:

Construction House,
5, Walchand Hirachand Marg,
Ballard Estate,
Mumbai 400 001

Dated: 18th June, 2003.



MANAGEMENT DISCUSSION & 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. In view of the vital importance of water for human & animal 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.

In India your Company is a dominant player in taking up works related to water supply schemes, providing & laying of pipes and other related civil works. There are only a few Companies like us who are operating in the organised sector. Majority of players are dominated by unregulated small scale industries and contractors who sometimes do not adhere to quality of products they produce or the work which they execute. Your Company is one of the oldest cement concrete & steel pipe manufacturing Company in the country and manufactures wide range of water supply related products like Prestressed Concrete pipes, Steel pipes, Bar Wrapped Steel Cylinder pipes, Hume pipes which are used in water supply and sanitation projects. Penstock pipes are used for Hydro Electric Projects. Since last couple of years the Company has changed its working style from pure manufacturing activities to undertaking complete Turnkey water supply Projects involving Supplying, Laying & Jointing of pipes, construction of Head works like Jack Well & Intake Well, Water Treatment plants construction and installation of pump house & pumping machinery.

2. OPPORTUNITIES AND THREAT :

The population of the country is expected to reach a level of around 139 Crores by year 2025 (Source :- National Water Policy 2002) which will further aggravate the scarcity of water to the people of India. Thus there is a vast scope for improvement in Infrastructural developmental activities in water supply and sanitation segment 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 purpose, domestic, industrial, agricultural, hydro-power, thermal power, navigation, recreation, etc. Domestic and Industrial water needs have been largely concentrated in or around major cities, however the demand in rural areas is expected to increase sharply as the development programmes of State Governments improve the economic conditions of the rural masses. 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. Hence there is a good scope for water supply projects coming up in near future and this auger well for your Company.

Due to continued protection by the Government to the small scale manufacturers who form part of unorganised sector and many of whom are not quality conscious and also due to the subsidy in sales tax benefits which they enjoy, they are considered as major threat/competition to your Company.

3. SEGMENT-WISE ACTIVITY :

The Company is considered a pioneer in the field of water industry as it is in this line for last more than 76 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, 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 Pipeline Project works **Successfully Completed** by your Company during the year are -
1. K. Parmarthy Reach-I and Reach-II Water Supply Schemes for TWAD Board in Coimbatore of the value of Rs.7.64 Crores.
 2. Rishivandiyam Water Supply Scheme in Tamilnadu for M/s. Larsen & Toubro Ltd. of the value of Rs.6.30 Crores.
 3. Permanent Water Supply Scheme to Nardana Central Growth Centre of MIDC, Dhule of the value of Rs.4.98 Crores.
 4. Ariyalur Water Supply Scheme for TWAD Board, Thanjavur of the value of Rs.4.67 Crores.
 5. U.P.Jal Nigam, Illrd Construction Divn., Agra from Guru-ka-Tal to Park II Lawers Colony at Agra of the value of Rs.4.55 Crores.
 6. Theni-Alinagaram Water Supply Improvement Scheme from TWAD Board, Madurai of the value of Rs.3.95 Crores.
 7. Mild Steel pipe line for Borabanda Water Supply Scheme from Hyderabad Metropoiltan Water Supply Sewerage Board (HMWS&SB) of the value of Rs.2.80 Crores.
 8. Basavan-Bagewadi Water Supply Scheme for M/s. Lanco Constructions Ltd. of the value of Rs.2.77 Crores.
 9. Avinashi Water Supply Scheme in Tamilnadu for M/s. Larsen & Toubro Ltd. of the value of Rs.2.32 Crores.
 10. Yusufguda Sewer Main from HMWS&SB, Hyderabad of the value of Rs.1.95 Crores.
 11. Water Supply Scheme to Habsiguda Sewer Main (Slice -II) from HMWS&SB, Hyderabad of the value of Rs.1.70 Crores.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

- (ii) Company's work on many Pipeline Projects are **Progressing Well and/or Nearing Completion** and the noteworthy amongst them are -
1. Churu-Bissau Water Supply Project from PHED, Jaipur, Govt. of Rajasthan of the value of Rs.26.13 Crores.
 2. Combined Water Supply Scheme to Andimadam for TWAD Board, Trichy of the value of Rs.24.72 Crores.
 3. Ambejogai Water Supply Scheme (Manjara Dam Source) of Maharashtra Jeevan Pradhikaran Works Division, Ambejogai of the value of Rs.17.00 Crores.
 4. Shenkottai Combined Water Supply Scheme, Tamilnadu of the value of Rs.15.61 Crores.
 5. Water Supply Schemes to Sriperumbudur from TWAD Board, Tamilnadu of the value of about Rs.13.27 Crores.
 6. Combined Water Supply Scheme to Panagudi from TWAD Board, Tamilnadu of the value of Rs.13.18 Crores.
 7. Junia-Borada Water Supply Scheme from PHED, Ajmer of the value of Rs.12.27 Crores.
 8. Nimgaon Water Supply Scheme of Maharashtra Jeevan Pradhikaran Works Division, Ahmednagar of the value of Rs.10.66 Crores.
 9. Comprehensive Protective Water Supply Scheme to Bhogapuram (Part A and B) from Panchayat Raj Department, Andhra Pradesh of the value of Rs.9.70 Crores.
 10. Water Supply Improvement Scheme to Thiruvellore Municipality from TWAD Board, Thanjavur of the value of Rs.8.29 Crores.
 11. Purander Lift Irrigation Scheme of Maharashtra Krishna Valley Development Corporation of the value of Rs.7.29 Crores from M/s. IVRCL Infrastructures & Projects Ltd., Hyderabad.
 12. Comprehensive Protective Water Supply Scheme to Pattancheru from Panchayat Raj Department, Andhra Pradesh of the value of Rs.6.63 Crores.
 13. Augmentation to Deolali Water Supply Scheme of Maharashtra Jeevan Pradhikaran Works Division, Ahmednagar of the value of Rs.4.75 Crores.
 14. Lift Irrigation Schemes at Miraj of the value of Rs.4.42 Crores.
 15. Sagar Water Supply Scheme, Sagar, Madhya Pradesh of the value of Rs.4.38 Crores.
 16. Water Supply Scheme to Habsiguda Sewer Main Slice-III from HMWS&SB, Andhra Pradesh of the value of Rs.2.90 Crores.
- (iii) Some of the New **Orders secured** by your Company during the year are -
1. Two orders (Package I & Package II) under Krishna Drinking Water Supply Project of HMWS&SB, Hyderabad in Joint venture with M/s. Koya & Co. Construction Pvt. Ltd. (Members - Bhoorathnam & Co., Taher Ali Industries & Projects Pvt. Ltd. and IHP Co. Ltd.) and M/s. Bhoorathnam & Co., (Members - M/s. Koya & Co. Construction Pvt. Ltd., Taher Ali Industries & Projects Pvt. Ltd. and IHP Co. Ltd.) value of our share in Package I is Rs.21.22 Crores and Package-II is Rs.14.32 Crores, respectively.
 2. From Bangalore Water Supply & Sewerage Board, Bangalore for Trunk Sewer Mains of the value of Rs.22.02 Crores.
 3. From U.P.Jal Nigam, Kanpur for the Clear Water trunk rising main from water treatment works at Ganga Barrage Kanpur to Different Zonal Clear Water Reservoirs, Kanpur of the value of Rs.10.44 Crores.
 4. For Nalgonda Water Supply Scheme in Andhra Pradesh from M/s. Larsen & Toubro Ltd. of the value of Rs.8.40 Crores.
 5. For Sedappti Water Supply Scheme in Tamilnadu from M/s. Essar Constructions of the value of Rs.6.81 Crores.
 6. For Combined Water Supply Scheme to Nallampatty in Erode District from TWAD Board of the value of Rs.6.65 Crores.
 7. For Kavali Water Supply Improvement Scheme from PHED, Andhra Pradesh of the value of Rs.6.55 Crores.
 8. For Thirumangalam Water Supply Scheme from TWAD Board of the value of Rs.5.25 Crores.
 9. From M/s. Nila Baurat Engg. Ltd., Bangalore for RCC Pipe line of the value of Rs.3.78 Crores.
 10. For Narsampet Drinking Water Supply Project (Phase-II) in Warangal from Panchayat Raj Department, Andhra Pradesh of the value of Rs.2.05 Crores.
 11. From Rajkot Municipal Corporation, Rajkot for the work of commissioning of Prestressed Concrete pipelines (Rising mains) for pumping stations under Sewerage Project Phase-III of the value of Rs.1.96 Crores.

New Factory :

The Company has erected a PSC pipe manufacturing factory at a new location at Sikar in Rajasthan. Trial production of pipes was carried out in March, 2003.



MANAGEMENT DISCUSSION & ANALYSIS REPORT**(B) Power Projects :**

The work for supply, fabrication and erection of Penstock pipes for Almatti Dam Power Project of the value of Rs.5.54 Crores is nearly completed. The erection work is under progress and the project is likely to be completed ahead of its schedule by one month i.e. end of June, 2003.

The Company has secured an order for fabrication of Penstocks for M/s. Tata Power Corporation Ltd., Khopoli New Water Conductor System of the value of Rs.3.35 Crores from M/s. Larsen & Toubro Ltd.

(C) Railway Sleepers :

The Company has completed the manufacture of 76,800 Nos. of PSC sleepers for Central Railway out of the total contracted quantity of 96,000. The Company has also secured an order for the manufacture of further 1,73,000 sleepers of the value of about Rs.12.22 Crores from the Railway Board.

I.S.O. Certification : The Company's Karari Sleeper plant has received I.S.O. 9002 of 1994 from Bureau of Indian Standards.

(D) Bar Wrapped Steel Cylinder Pipes (BWSC Pipes) :

Maharashtra Jeevan Pradhikaran (MJP) and Maharashtra Industrial Development Corporation (MIDC) have already included BWSC pipes in their Current Schedule of Rate (CSR) as approved pipes for their water supply/drainage Schemes. During the current year, considering its techno-economic aspects and durability, Tamilnadu Water and Drainage Board (TWAD) and Gujarat Water Supply & Sewerage Board (GWS&SB) also included BWSC pipes in their schedule of rates. In both these states, shortly the schemes with BWSC as pipe material are coming up for execution. These State Governments are convinced of sizeable saving in the project costs with the use of these pipes vis-à-vis other metal pipes.

The State of Andhra Pradesh has taken the lead in executing works with BWSC pipes. During the year the Company has secured order (i) From Warangal Water Supply Improvement Scheme under Hudco Phase-III from PHED of the value of Rs.4.19 Crores and (ii) From M/s. Larsen & Toubro Ltd. for Panchayat Raj Department of the value of Rs.0.93 Crores both aggregating to Rs.5.12 Crores.

4. Outlook :

Water supply has always been a very important infrastructure activity for any populous location. For urban & rural water supply projects the main customers have always been Public Health Engineering Department of various State Governments, Corporations, Municipalities, Water & Sewerage Boards, etc. There is a huge potential for water supply, sewage disposal, head works, treatment plants, etc. In urban areas more than 40% of the population do not have access to drinking water while in rural area more than 60-65% of the population do not have access to drinking water. In view of this there is good business potential in this segment and for the products of your Company.

5. Risks & Concerns :

The Company's activities and prospects largely depend on the implementation of various water supply related projects undertaken by various Government Agencies. The Company is doing business with various State Governments and it depends upon their policy on 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. Further political stability at the Government level also affects their decision on various projects. Adverse changes and lack of funds delays the works resulting in higher cost and can also affect the business prospects of the Industry and the Company. Severe competition from the manufacturers of alternative pipe materials like Ductile Iron, Fibre Reinforced Plastic, PVC, spirally welded steel pipes is existing and can affect Company's business prospects.

6. Internal Control Systems :

The Company has adequate internal control procedures commensurate with its size and nature of business, that ensures control over various functions of the organisation. The internal control system provides for guidelines, authorisation and approval procedures. The internal audit reports, post audit reviews are carried out to ensure compliance with Company's policies and procedures.

7. Financial Performance with respect to Operational Performance :

For the year ended 31st March 2003, the Company has achieved a adjusted turnover of Rs.143.47 Crores as compared to last year's turnover of Rs. 115.21 Crores and profit before tax of Rs. 17.28 Crores as against last year's figure of Rs. 14.02 Crores.

Looking to order position in hand, the Company is expected to keep up this performance during 2003-04 barring unprecedented events.

8. Material Developments in Human Resources/Industrial Relations Front :

There are more than 1200 people working for the company at various plants, sites and corporate office. The Company arranges training programmes, workshops, etc. to help them to improve their skills. In all the company's factories & sites, priority is given to the safety aspects of the staff and workers. During the year, the industrial relations with the workmen at various units of the Company were by and large peaceful & cordial.

For and on behalf of the Board of Directors,

RAJAS R. DOSHI

Chairman and Managing Director

Dated: 18th June, 2003

The Indian Hume Pipe Company Limited