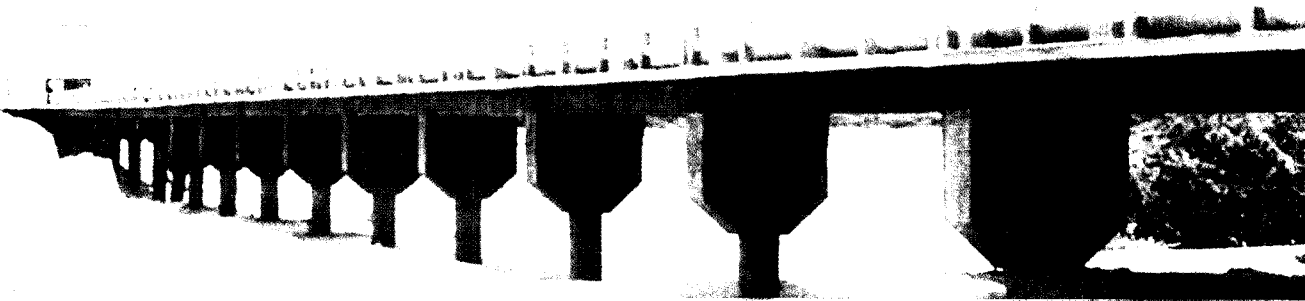


Indian Hume Pipe





Work successfully completed by the Company during the year 2006 -07
- Combined water supply scheme to Nagapattinam from TWAD Board,
Thanjavur of the value of Rs. 5,356 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. V. K. Gupte

Executives

Mr. P. D. Kelkar - *Sr. General Manager
(Prestressed Concrete Division)*
 Mr. S. K. Soman - *Sr. General Manager*
 Mr. P. R. Bhat - *Sr. General Manager*
 Mr. M. S. Rajadhyaksha - *Controller of Accounts & Finance*
 Mr. S. G. Khaladkar - *Sr. General Manager - Corporate Affairs*
 Mr. B. S. Narkhade - *Chief Auditor*

Auditors

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

Solicitors & Advocates

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

Bankers

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

Registrar & Share Transfer Agent

M/s. Intime Spectrum Registry Ltd.
 C-13, Pannalal Silk Mills Compound,
 L. B. S. Marg, Bhandup (West), Mumbai - 400 078
 Tel No. : 25963838 • Fax No.:25946969

Registered Office

Construction House, 2nd floor,
 5, Walchand Hirachand Road,
 Ballard Estate, Mumbai - 400 001
 Tel No.: 22618091/22618092
 Fax No.: 22656863, email : info@indianhumepipe.com
 Website : www.indianhumepipe.com

Annual General Meeting

Monday, the 30th July, 2007 at 4.00 P.M.
 At Walchand Hirachand Hall,
 Indian Merchants' Chamber Building,
 4th floor, Indian Merchants' Chamber Marg,
 Churchgate, Mumbai - 400 020



NOTICE

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

DAY	:	MONDAY
DATE	:	30 th JULY, 2007
TIME	:	4.00 P. M.
PLACE	:	Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4 th 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, 2007, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Ms. Jyoti R. Doshi, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Rajendra M. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956 M/s. K. S. Aiyar & Co., Chartered Accountants, the retiring Auditors of the Company, be and they are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to do Statutory Audit of the Company's accounts including its branches for the Financial Year 2007-08 on a remuneration as may be mutually fixed by the Board of Directors of the Company 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."

By Order of the Board of Directors,

V. K. Gupte
Company Secretary

Registered Office:

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

Date : 29th May, 2007



NOTICE

NOTES:-

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND 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.

(b) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 23rd July, 2007 to Monday, 30th July, 2007 (both days inclusive).

(c) The Dividend for the year ended 31st March, 2007 as recommended by the Board, if sanctioned at the meeting, will be payable to those Members whose names appear in the Company's Register of Members as on 23rd July, 2007. In respect of Shares held in Electronic (Demat) form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

(d) Shareholders who hold Shares in dematerialised form may please note that Company will be mandatorily printing on the dividend warrants as advised by the Securities and Exchange Board of India (SEBI), 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 the shareholders for any changes in their Bank Account details.

In order to avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, the shareholders are advised to avail of ECS facility, whereby the dividend amount will be directly credited to their respective Bank Accounts electronically. This will also ensure speedier credit of dividend. You may write to the Company's Registrar & Share Transfer Agents or your Depository participants directly to avail benefit of this service/facility.

(e) 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) Ms. Jyoti R. Doshi (53) is B.A. (Hons) from University of Delhi. She is associated with the Company as Director since 1996. She has experience of more than 11 years in the Industry. She is also a Director of M/s. IHP Finvest Ltd. and M/s. Ratanchand Investment Pvt. 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 president of ladies wing of Maharashtra Chamber of Commerce & Industry.

ii) Mr. Rajendra M. Gandhi (61) is Bachelor of Engineering (Metallurgy) from University of Pune and an MBA from Michigan University, U.S.A., having good financial knowledge. He is associated with the Company as Director since 1996 and has Industrial experience of more than 33 years as the Proprietor of M/s. Navbharat Automobiles, Solapur. He is the Chairman of the Audit Committee of the Company.

(f) Transfer of funds to Investor Education & Protection Fund (IEPF)

i) In terms of the provisions of Section 205A read together with section 205C of the Companies Act, 1956, unpaid and unclaimed dividend for the financial year ended 31st March, 1999 has been transferred by the Company to the Investor Education & Protection Fund established by the Central Government under Section 205C of the Act.

ii) It may be noted that pursuant to the provisions of above mentioned Section, the amount of dividend which has remained unclaimed and unpaid for a period of 7 years from the date it became due for payment is required to be transferred to the Investor Education & Protection Fund (IEPF) constituted by the Central Government. Accordingly, the amount of dividend for the financial year 1999-2000 and onwards which remain unclaimed and unpaid as aforesaid shall be transferred to the IEPF and no claims shall lie against the IEPF or the Company in respect of such amounts. We, therefore request the members who have not encashed their dividend warrants for the financial year 2000-01 onwards to write immediately to the Company claiming dividends declared by the Company for the said financial years.

iii) It may be noted that unpaid dividend for the financial year are due for transfer to IEPF on the following respective due dates :

NOTICE

Financial year	Date of declaration of Dividend	Date of Payment of Dividend	Due date of transfer to IEPF
1999-2000	26-04-2000 *	24-05-2000	12-06-2007
2000-01	20-09-2001	21-09-2001	26-10-2008
2001-02	19-08-2002	22-08-2002	24-09-2009
2002-03	26-07-2003	04-08-2003	31-08-2010
2003-04	30-01-2004 *	12-02-2004	06-03-2011
2003-04	30-07-2004	03-08-2004	04-09-2011
2004-05	31-01-2005 *	08-02-2005	08-03-2012
2004-05	29-07-2005	04-08-2005	03-09-2012
2005-06	31-07-2006	07-08-2006	05-09-2013

* Interim Dividend.

- (g) 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 with the Company.

Nomination forms in this respect can be obtained from the Secretarial Department of the Company.

- (i) Members are requested to notify immediately change in their Address, if any to the Registered Office of the Company.

- (h) Members are requested to bring the copies of the Annual Report at the time of attending the Annual General Meeting.
- (i) 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 signatures registered with the Company for admission to the Meeting Hall.

By Order of the Board of Directors,

V. K. Gupte
Company Secretary

Registered Office:

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

Date : 29th May, 2007



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **INDUSTRY STRUCTURE & DEVELOPMENT:**

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

Your Company has been in the business of manufacturing, laying and jointing of pipelines of various pipe materials such as RCC pipes, Steel pipes, Prestressed concrete pipes, Penstock pipes, Bar wrapped steel cylinder pipes (BWSC), Prestressed concrete cylinder pipes (PCCP) etc., which provide infrastructure facility and development for drinking water supply projects, irrigation projects, Hydro electric projects, sanitation and sewerage systems. For the past few years 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 centres which apart from manufacturing, laying and jointing of pipelines included construction of water pumping stations, installation of pumping machineries, electro-mechanical works, branch mains elevated reservoirs, leading to development of complete system for water supply to various towns and villages of India.

2. **OPPORTUNITIES AND THREAT:**

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

Growth of population and the expansion of economic activities inevitably lead to increasing demands for water for diverse purposes i.e. domestic, industrial, agricultural, hydro-power, thermal power, navigation, recreation etc. Domestic and Industrial water needs have been largely concentrated in or around major cities, however the demand in rural areas is expected to increase sharply as the development programmes of State Governments improve the economic conditions of the rural mass. Demand for water for hydro and thermal power generation and for other industrial uses is also increasing substantially. As a result water which is already scarce will become even scarcer in future. This underscores the need for the utmost efficiency in water utilisation

and its distribution. Through awareness of efficient water supply system and water quality, we can keep our water supply adequate and provide clean & healthy water for our children. It is their fundamental right. Hence there is a good scope for many water supply projects coming up in near future and this auger well for your Company.

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, it being in this line for last more than 80 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 Pipeline Project works Successfully Completed by your Company during the year are:-**

1. Combined Water Supply Scheme to Nagapattinam from TWAD Board, Thanjavur of the value of Rs.5,356 Lacs.
2. Trunk Sewer Mains for Bangalore Water Supply & Sewerage Board, Bangalore of the value of Rs.1,698 Lacs.
3. Combined Water Supply Scheme to Kayathar for supply of 350 mm to 600 mm dia PSC pipes from TWAD Board, Kovilpatti of the value of Rs.1,681 Lacs.
4. From Larsen & Tourbro Ltd., Chennai for Combined Water Supply Scheme to Coastal habitations of the value of Rs.1,615 Lacs.
5. Supply of various diameters pipes ranging from 350 mm dia to 1600 mm dia PSC pipes for Purandar Lift Irrigation Scheme of Maharashtra Krishna Valley Development Corporation from M/s. IVRCL Infrastructures & Projects Ltd., Hyderabad of the value of Rs.1,275 Lacs.
6. Tadipudi Lift Irrigation Scheme Phase-I from M/s. Koya & Co. Construction Pvt. Ltd. of the value of Rs.1,256 Lacs.
7. Nalgonda Water Supply Scheme (package - II) from Panchayat Raj Department, Andhra Pradesh of the value of Rs.887 Lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

8. In addition to the above we have successfully completed seven more projects amounting to Rs.2024.60 Lacs at various locations.

(ii) Company's works on many Pipeline Projects are progressing well and/or nearing completion and the noteworthy amongst them are:-

1. From TWAD Board, Western Region, Coimbatore for Combined Water Supply Scheme to 6 town panchayats and 1399 rural habitations in Pattinam and Seerpalli in Namakkal District of the value of Rs.6,723 Lacs.
2. From H. M. W. S. & S. Board, Hyderabad in Joint Venture with M/s. KCCPL, M/s. TAIPL and M/s. BRC Ltd. for supply, laying, jointing, testing and commissioning with civil works of MS Gravity main from MBR at Gungal to TBR at Saheb Nagar of the value of Rs.6,500 Lacs.



1500 MM dia M.S. Pipe line with internal mortar lining and external cold tape cooling at DABARDUMBA, against safety major work at Rajasthan.

3. From Irrigation and CAD Department, Yemmiganoor for supply, laying, jointing, testing and commissioning with allied civil including electro mechanical components with PSC/MS Pipes for Lift Irrigation Scheme under Guru Raghavendra Project namely Duddi, Madhavaram and Basala Doddi near Mantralayam, Kurnool District of the value of Rs.5,999.23 Lacs.
4. Gutpa Lift Irrigation Scheme from Irrigation & CAD Department, Nizamabad in Joint Venture with M/s. Koya & Co. Construction Pvt. Ltd., Bhoorathnom Construction, Taher Ali Industries and Kirloskar Brothers Ltd for supply, laying, jointing, testing and commissioning with civil works of MS Pipes including construction of pump house, bunds

and supply and erection of pumping machinery of the value of Rs.2,624.47 Lacs.

5. From I.V.R.C.L. Infrastructurals & Projects Limited for supply of PSC pipes for Bisalpur Dudu Water Supply Project (Transmission – Main II) in Rajasthan of the value of Rs.2,170 Lacs.
6. From P.H.E.D. Region, Ajmer for the execution of Ajmer Water supply Scheme involving MS pipe supply, laying, jointing, testing and commissioning with civil works of the value of Rs.2,044 Lacs.
7. From Andhra Pradesh State Irrigation Development Corpn. Ltd., Nirmal for supply, laying, jointing, testing and commissioning with civil works of PSC pipes for Kanakapur Lift Irrigation Scheme of the value of Rs.1,634.94 Lacs.
8. From H. M. W. S. & S. Board, Hyderabad in Joint Venture with M/s. Tapi Prestressed Products Ltd. for turnkey project of supply, laying, jointing, testing and commissioning with civil works of PSC/MS Pipe from outlet of Prashashan Nagar GLSR near Film Nagar to Lingampally HLR of the value of Rs.1,551.40 Lacs.
9. Soganuru Lift Irrigation Scheme work from Irrigation & Command Area Development (CAD) Department, Yemmiganur, Kurnool District of the value of Rs.1,535 Lacs.
10. From M/s. Hindustan Construction Co. Ltd. for supply, laying, jointing, testing and commissioning with civil works of MS pipes for Godavari Lift Irrigation Scheme, Stage II in Warangal District of the value of Rs.1,422 Lacs.
11. From M/s. Nagarjuna Construction Co. for supply, laying, jointing, testing and commissioning with civil works of 1635 mm dia PSC pipes for Tadipudi Lift Irrigation Scheme Phase-II of the value of Rs.1,312.66 Lacs.
12. From Maharashtra Krishna Valley Development Corporation for Wangana Lift Irrigation Scheme of the value of Rs.1,300 Lacs.
13. Pulachinta Lift Irrigation Scheme work from Irrigation & CAD Department, Yemmiganur, Kurnool District of the value of Rs.1,221.49 Lacs.
14. From Andhra Pradesh State Irrigation Development Corpn. Ltd., Nirmal for supply, laying, jointing, testing and commissioning with civil works of PSC pipes for Sandegaon Lift Irrigation Scheme of the value of Rs.1,018.17 Lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

15. In addition to the above, 21 projects are progressing well amounting to Rs.12540.58 Lacs at various locations.

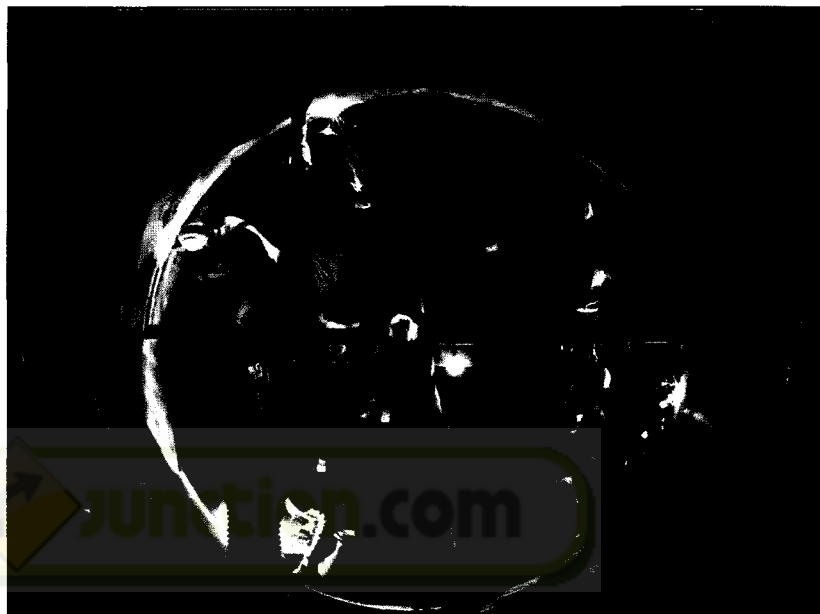
(iii) Some of the New Orders secured by the Company during the year are:-

1. From Panchayat Raj Engineering Department, Anantpur for supply, laying, jointing, testing and commissioning of BWSC, DI, HDP and MS Pipes with allied civil works including the construction of sumps, intake well cum pump house with foot bridge and ground level balancing reservoir etc. for J. C. Nagi Reddy Drinking Water Supply project in Anantpur of the value of Rs.11,589.71 Lacs.
2. From Panchayat Raj Engineering Department, Medak for CPWS Gajwel involving 1900mm, 450 mm, 400 mm and 350 mm dia BWSC pipes of the value of 3,990.99 Lacs.
3. From Greater Vishakhapatnam Municipal Corporation, Vishakhapatnam for replacement of existing Thatipudi pipeline from i) Thatipudi reservoir to existing water treatment plant at Krishnapuram and from balancing reservoir at Uttarapalli to Vepugunta with 900 mm dia BWSC pipes ii) Vepugunta to Baji Junction with 800 mm dia BWSC pipes and iii) Baji Junction to town service reservoir with 700 mm dia BWSC pipes under package – I of the value of Rs.3,053.68 Lacs.
4. From PHED Nellore, Andhra Pradesh for Kandukur Water Supply Improvement Scheme for supply, laying, jointing and testing of 800 mm dia PSC pipes of the value of Rs. 2,636.57 Lacs.
5. From TWAD Board, Western Region, Coimbatore for Combined Water Supply Scheme to Kurichi, Kuniimuthur Municipalities and Kinathukaavu Special Village Panchayat in Coimbatore District of the value of Rs.2,576 Lacs.
6. From TWAD Board, Northern Region, Vellore for Cuddalore UGSS package – 3 consisting of PSC pipes/Stone-ware pipes/RCC pipes and other civil works of the value of Rs.1,289 Lacs.
7. From Greater Vishakhapatnam Municipal Corporation, Vishakhapatnam in Joint Venture with M/s. Vishwa Infrastructure & Services Pvt. Ltd. for supplying, lowering, laying, jointing, testing and commissioning of 900 mm dia and 600 mm dia MS/BWSC pipes of the value of Rs.1,102.30 Lacs.

8. In addition to the above we have secured 15 orders amounting to Rs.5688.92 Lacs at various locations.

(B) Power Projects:

During the year 2005-06, the Company has received an order for fabrication and erection of 3000 mm & 4000 mm dia Penstock pipes alongwith the Civil works for Varahi Hydroelectric Project of the value of Rs.3,260 Lacs at Varahi in Karnataka State. The same work is progressing well and so far the Company has completed 71% of the total work.



Varahi Hydro Electric Project - Work in progress

(C) Railway Sleepers:

The Company is executing a contract for manufacture of 3 Lacs Concrete Sleepers for the Ministry of Railway of the value of Rs.2,595 Lacs at Karari factory near Jhansi in the State of Uttar Pradesh. These Sleepers are supplied to North Central Railway.

The aforesaid work is progressing well. The Company has manufactured 1,35,280 Concrete Sleepers during the year.

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

Many of the State Governments have started giving preference for using of BWSC pipes in their various water supply schemes which are techno economical.

During the financial year 2006-07, the Company has secured various orders of BWSC pipes of the value of Rs.21,093.45 Lacs. The details of the orders received are appearing in Segment-wise Activity - item No.3.A (iii) under the heading 'Some of the New Orders secured by your Company during the year'.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(E) Prestressed Concrete Cylinder Pipes (PCCP):

Company's R & D Division has developed 'Prestressed Concrete Cylinder Pipes' (PCCP) as per the Indian and International Standard Specifications.

During the year 2005-06 the Company has received the order for providing, lowering, laying and jointing of 1000 mm and 900 mm dia Prestressed Concrete Cylinder Pipes (PCCP) and 800 mm dia BWSC pipes of the value of Rs.559.38 Lacs for Augmentation to Malegaon Water Supply Scheme from Maharashtra Jeevan Pradhikaran, Nasik which is progressing well and so far the Company has completed 39% of the total work.



2200 MM dia M.S. Pipe line at BUND portion against Gutpa lift irrigation scheme, Nizamabad, Andhra Pradesh.

4. Outlook:

The State and Central Government are giving more emphasis on infrastructure development in the country. 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 Government, Corporations, Municipalities, Water & Sewerage Boards, etc. There is huge potential for water supply, sewage disposal, head works, treatment plants etc.

In urban areas more than 40% of the population does not have access to drinking water while in rural area more than 60-65% of the population does not have access to drinking water.

5. Risks & Concerns:

The Company's activities and prospects largely depend on the

implementation of various water supply related projects undertaken by various State/Central Government Agencies. The Company is doing the 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, Glassfibre Reinforced Plastic, PVC, spirally welded steel pipes is existing and can affect Company's business prospects.

Throughout the year 2006-07, the prices of the Company's main Raw materials including cement and steel have gone up drastically. The Price of Cement went up from Rs. 2190.85 per M.T. to Rs. 3,258/- per M.T. and Steel Plates prices went up from Rs. 28,575/- per M.T. to Rs. 29,529/- per M.T.

In addition to this Steel Prices in the International market has firmed up considerably, which were imported by the Company for its Hydro Electric Project at Varahi in the State of Karnataka

Further, H.T. wire price have increased considerably from April, 2007 onwards mainly because of increase in rate in International market and has become a major area of concern for your company.

6. Internal Control Systems:

The Company has adequate internal control procedures commensurate with its size and nature of business that ensures control over various functions of the organisation. The internal control system provides for guidelines, authorisation and approval procedures.

The internal audit reports, post audit reviews are carried out to ensure compliance with Company's policies and procedures.

7. Financial Performance with respect to Operational Performance:

For the year ended 31st March 2007, the Company has achieved an adjusted turnover of Rs.36,280 Lacs as compared to last year's turnover of Rs.25,609 Lacs and the profit before tax & before prior year's charge is Rs.2,091 Lacs as against last year's profit of Rs.1,545 Lacs.

Due to the sudden & unexpected increase in the price of the Company's main Raw material i.e. cement, steel etc. and increase in interest cost, the margins will remain under pressure and in turn is likely to affect the profitability of the Company during the current year.

