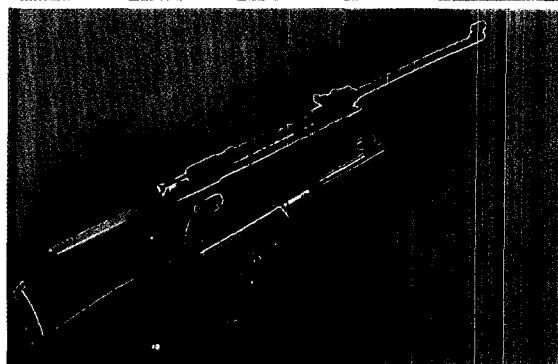
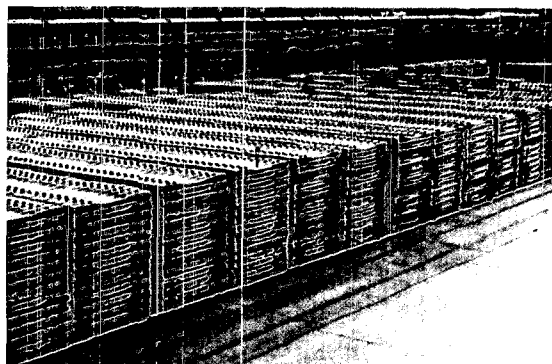
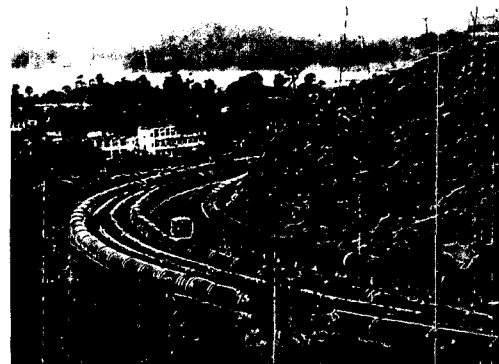
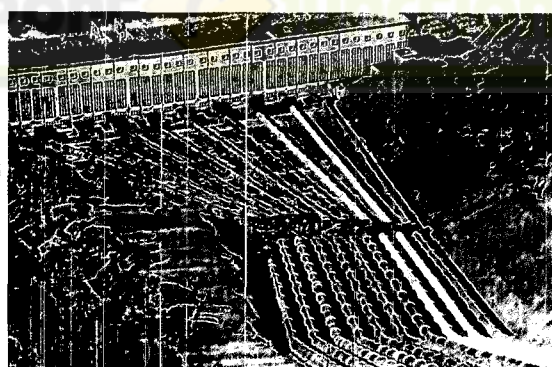


Indian Hume Pipe

ANNUAL REPORT

2007 - 2008





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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. S. M. Mandke
Executives	Mr. P. D. Kelkar - Sr. General Manager Mr. P. R. Bhat - Sr. General Manager Mr. Ajay Asthana - General Manager Mr. Mayur R. Doshi - General Manager Mr. G. Pundareekam - General Manager Mr. Shashank J. Shah - General Manager Mr. S. Arunachalam - Dy. General Manager Mr. M. S. Rajadhyaksha - Controller of Accounts & Finance Mr. S. G. Khaladkar - Sr. General Manager - Corporate Affairs Mr. B. S. Narkhade - Chief Internal Auditor Mr. A. B. Joshi - Chief Personnel Manager
Auditors	M/s. K. S. Aiyar & Co., Chartered Accountants F-7, Laxmi Mills, Shakti Mills Lane, (Off. Dr. E. Moses Road), Mahalaxmi, Mumbai – 400 011
Solicitors & Advocates	M/s. Daphtary Ferreira & Divan, Mumbai M/s. Kanga & Co., Mumbai
Bankers	State Bank of India Bank of Baroda State Bank of Hyderabad HDFC Bank Ltd.
Registrar & Share Transfer Agent	M/s. Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 Tel No.022-25963838 Fax No.022-25946969
Registered Office	Construction House, 2nd Floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai – 400 001 Tel No.: 022-22618091 / 92, 022-40748181 Fax No.:022-22656863, email : info@indianhumepipe.com Website : www.indianhumepipe.com
Annual General Meeting	Wednesday, 30 th July, 2008 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 SECOND ANNUAL GENERAL MEETING of the Company will be held as scheduled below :-

DAY	: Wednesday
DATE	: 30 th JULY, 2008
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, 2008, 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. Anima B. Kapadia, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Rameshwar D. Sarda, 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 2008-09 on a remuneration as may be 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."

SPECIAL BUSINESS :

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

"RESOLVED THAT subject to the provisions of Section 228 of the Companies Act, 1956, other provisions as may be applicable and in modification to the Ordinary Resolution passed by the Members at the Extra Ordinary General Meeting held on 30th November, 2007, the consent of the Company be and is hereby accorded to the appointment of M/s. Brahmayya & Co., Chartered Accountants having their office at Flat No.403 & 404, Golden Apartments, Irrum Manzil Colony, Somajiguda, Hyderabad – 500 082 to carry out Branch Audit, Limited Review and Tax Audit of the Company's Factories, Projects and Project Offices in the State of Andhra Pradesh,

as Branch Auditors and to hold office from 1st April, 2008 until the conclusion of the next Annual General Meeting, on a remuneration to be decided by the Board of Directors in consultation with the Branch Auditors plus reimbursement of out of pocket expenses as may be incurred by them.

RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded to the Board of Directors to appoint any person or persons qualified for appointment as Auditors of the Company under Section 226 and/or 228 of the Companies Act, 1956 for auditing accounts of such other locations of the Company in other State(s), if required to be audited under Section 228 of the Companies Act, 1956, on such terms & conditions, as they may deem fit.

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

7. 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 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 amendment 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 reappointment 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, 2008 to 30th June, 2013 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 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



NOTICE

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 such re-enactment / 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."

8. 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 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory amendment or re-enactment thereof for the time being in force) and subject to such other approvals / sanctions as may be necessary, the approval of the Members of the Company be and is hereby accorded to the commencement of new businesses by the Company in terms of sub-clauses 8, 29, 32, 34, 36 and 45 of Clause III of the Objects Clause of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT Mr. Rajas R. Doshi, Chairman and Managing Director of the Company be and is hereby authorised to sign all the papers, forms, declarations and do all such acts and things including the power of further delegation for giving effect to the above resolution."

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

Registered Office:

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

Date : 28th May, 2008

NOTES:-

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding this Annual General Meeting.**
- (b) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special business under item Nos.6 to 8 above, to be transacted at the meeting is annexed hereto.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd July, 2008 to Wednesday, 30th July, 2008 (both days inclusive).
- (d) The Dividend for the year ended 31st March, 2008, 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, 2008. In respect of Shares held in Electronic (Demat) form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities

Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

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

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

- (f) As required under the Listing Agreement, a brief write up is given below in respect of the three Directors whose re-appointment is placed before this AGM.

NOTICE

- i) Ms. Anima B. Kapadia (57) is associated with the Company as Director since 2001. She is an Advocate and Solicitors of good standing and is a partner in the Solicitor Firm, M/s. Daphtary Ferreira & Divan, Mumbai, one of the Solicitors of the Company. She is also a Director on the Boards of M/s. Lucid Colloids Limited, Mumbai and B. A. & Bros. (ESTN) Limited, Kolkatta. She is a Member of the Remuneration Committee & Chairperson of the Shareholders / Investors Grievance Committee of the Company. She is also Member of the Audit Committee of M/s Lucid Colloids Limited.

Ms. Anima Kapadia holds 166 Shares of the Company.

- ii) Mr. Rameshwar D. Sarda (55) a Bachelor of Arts is associated with the Company as Director since 1996. He has wide and rich experience in Real Estate, Hospitality, Travel & Publication of News Papers business etc. He is Director on the Boards of (1) M/s. Shrirang Prakashan Pvt. Ltd., (2) M/s. Nandkishore Fine Arts Pvt. Ltd., (3) M/s. Sarda Constructions Pvt. Ltd., (4) M/s. Purti Constructions Pvt. Ltd., (5) M/s. Bastiram Narayandas Sarda Pvt. Ltd and (6) M/s. IHP Finvest Ltd. He is a Member of the Audit Committee of the Company.

Mr. Rameshwar D. Sarda holds 100 Shares of the Company.

- (iii) Mr. Rajas R. Doshi, Chairman & Managing Director was born in the renowned Walchand family on 1st September, 1951. He is a graduate in Civil Engineering and started his career in family business after passing B. E. Civil in 1975 from Shivaji University. He joined the Hindustan Construction Co. Ltd. (HCC). He worked in HCC for 5 years and joined our Company in 1981 as a Senior Executive at Wadala factory. Thereafter he served the Company in the capacities of Chief Engineer, General Manager and was appointed Joint Managing Director on 01.07.88. He was appointed as Chairman & Managing Director on 14th April, 1994.

He is also on the Boards of following companies :

1. Hindustan Construction Co. Ltd.
2. IHP Finvest Ltd.
3. Modern India Ltd.
4. Ratanchand Investment Pvt. Ltd.
5. Mobile Systems India Pvt. Ltd.
6. Raj Jyoti Trading & Investment Pvt. Ltd.
7. Walchand Foundation } Companies under Section 25
8. Ratanchand Foundation } of the Companies Act, 1956

He is also associated with some Educational and Charitable Institutions.

He is member of Remuneration Committee of Modern India Ltd. He is member of Shareholders / Investors Grievance Committee of our Company and HCC. He is Chairman of Shareholders / Investors Grievance Committee of Modern India Ltd. He is also member of Audit Committee of HCC and Modern India Ltd.

Mr. Rajas R. Doshi holds 42,397 Equity Shares of the Company.

Ms. Jyoti R. Doshi, a Director is wife of Mr. Rajas R. Doshi.

- (g) 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, 2000 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 2000-2001 which remain unclaimed and unpaid as aforesaid shall be due for transfer to the IEPF on 26-10-2008 and no claim shall lie against the IEPF or the Company in respect of such amounts. We therefore request the members who have not yet encashed their dividend warrants for the financial year 2000-01 onwards to write immediately to the Company claiming dividends declared by the Company for the said financial year and onwards.
- iii) It may be noted that unpaid dividend for the following financial years are 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
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
2006-07	30-07-2007	07-08-2007	04-09-2014

* Interim Dividend

- (h) As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available. Nomination forms in this respect can be obtained from the Secretarial Department of the Company.
- (i) Members are requested to immediately notify change in their registered address, if any, to the Secretarial Department of the Company or Registrar & Share Transfer Agent, M/s. Intime Spectrum Registry Ltd., for shares held in physical mode.
- (j) Members are requested to bring the copies of the Annual Report at the time of attending the Annual General Meeting.



NOTICE

- (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 signatures 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:

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

The Board of Directors in their meeting held on 31st October, 2007 had approved the appointment of M/s. Brahmayya & Co., Chartered Accountants, having their office at Flat No.403 & 404, Golden Apartments, Irrum Manzil Colony, Somajiguda, Hyderabad – 500 082 to carry out the Branch Audit in the State of Andhra Pradesh for the financial year 2008-09 commencing from 1st April, 2008 at a remuneration to be decided by the Board of Directors in consultation with Branch Auditors plus out of pocket expenses as may be incurred by them. The Branch Auditors will carry out the Branch Audit, Limited Review, Tax Audit and prepare a report on examination of the accounts of the Company's Factories, Projects and Project Office in the State of Andhra Pradesh and forward their report to the Company's Statutory Auditor, who shall in preparing the Auditors' Report, deal with the same in such manner as they may consider fit and proper.

Thereafter the shareholders at the EGM held on 30th November, 2007 had approved the appointment of Branch Auditors.

In order to have the tenure of Branch Auditors in force until the conclusion of the next Annual General Meeting of the Company and to cover Project Offices in Andhra Pradesh in addition to Factories and Projects and also to cover Factories, Projects and Project Offices in other States, if required, for auditing accounts of such branches of the Company required to be audited under Section 228 of the Companies Act, 1956, on such terms & conditions, as the Board of Directors may deem fit, it was thought desirable to seek shareholders approval for modification of the resolution passed at the EGM held on 30th November, 2007.

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

Your Directors recommend the above resolution for your approval.

Item No.7 :

Mr. Rajas R. Doshi was appointed as the Chairman & Managing Director of the Company for a period of five years from 1st July, 2003 and his term is expiring on 30th June, 2008. The Board of Directors of the Company have

reappointed Mr. Rajas R. Doshi as Chairman & Managing Director of the Company at its meeting held on 28th May, 2008 for a further period of five years with effect from 1st July, 2008 to 30th June, 2013.

The main terms & conditions regarding the re-appointment and payment of remuneration and perquisites proposed to be paid to Mr. Rajas R. Doshi from 1st July, 2008 to 30th June, 2013 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 Board has recommended the reappointment of Mr. Rajas R. Doshi as Chairman & Managing Director of the Company for the aforesaid period for the approval of the Members.

The main terms of the draft agreement are as follows:

- A. Name and Designation :
Mr. Rajas R. Doshi, Chairman & Managing Director
- B. Period :
5 years with effect from 1st July, 2008 to 30th June, 2013
- C. Remuneration :
Salary
 - (i) Rs.3,50,000/- per month
(in the scale of Rs.3,50,000 - 50,000 - 4,50,000 - 75,000 - 6,00,000)
 - (ii) Perquisites & 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, reimbursement of actual medical expenses incurred in India and/or abroad for himself and his family including hospitalisation, payment of insurance premium towards domestic medical insurance policy 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.

NOTICE

- a) The Company shall provide Company maintained car with driver / reimbursement expenses of driver for use by the Chairman & Managing Director and shall also provide at his residence telephones (including payment for local calls and long distance official calls), reimbursement of Mobile phones expenses & outgoings, telefax and other communication facilities. These provisions shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- b) The Chairman & Managing Director will be entitled for privilege leave on full pay and allowances and/or encashment thereof as per the rules of the Company.
- c) 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.

D. 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 Directors 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.

E. 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 shall 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 draft Agreement between Mr. Rajas R. Doshi and the Company is available for inspection to the members at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. up to the date of the 82nd Annual General Meeting of the Company.

Your Directors recommend the above resolution for your approval.

Mr. Rajas R. Doshi, Chairman & Managing Director of the Company and Ms. Jyoti R. Doshi, Director and wife of Mr. Rajas R. Doshi are concerned or interested in this resolution. None of the other Directors of the Company is, in any way, concerned or interested in this resolution.

Item No.8 :

The Company is in the business of manufacturing, laying and jointing of RCC Pipes, Steel Pipes, Prestressed Concrete Pipes, Penstock Pipes, Bar Wrapped Steel Cylinder Pipes (BWSC), Prestressed Concrete Cylinder Pipes (PCCP) and undertakes Turnkey projects in the field of Water Supply for Drinking, Irrigation, Drainage, Sewerage and Hydro Electric Projects catering to the needs of various States / Central Government Agencies, undertakes implementation of various water supply and related projects in the country. The Company manufactures and sells Concrete Sleepers for Railways. The Company also manufactures and sells Air Rifles.

The logistics of Company's business requires setting up of Factories / Project Offices in the vicinity of the projects undertaken by the Company and thereafter migrating to the new project sites. This sometimes results in under utilization of assets / properties of the Company. With the initiatives on development of infrastructure in the country and general buoyancy in the economy, the realty business has witnessed strong growth. In order to reap the benefit of the strong growth in the real estate business and also to optimally utilise and exploit such under utilised assets / properties of the Company, the Company is contemplating starting new business/es of development and / or sale of the land / properties owned or to be acquired by the Company for different purposes such as IT-Park, Shopping Mall, Hotels, Service Apartment or Residential complex/es etc. or mixed development, which may thereafter be sold, given on lease or dealt with optimally.

The following Object Clauses of the Memorandum of Association empower the Company to sell and/or develop the Company's land / properties and to promote company or companies for such objects.

Clause 8 :	To develop and turn to account any land acquired by or in which the company is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down decorating, maintaining, furnishing, fitting up and improving building, and by planning, paving draining letting on building lease or building agreement, and by advancing money to any entering into contracts and arrangements of all kinds with builders, tenants and others.
Clause 29 :	To purchase, take on lease or otherwise acquire any lands and properties and manage, cultivate, and employ and develop the resources and turn to account such land and property as the Company may think fit.
Clause 32 :	To carry on all or any of the business usually carried on by land companies in all their several branches and in particular to lay out and improve, alter and develop by draining, clearing, roadmaking, or otherwise, any property of the Company, and thereon to erect and construct, or assist in the erection and construction of any buildings or works whatsoever, and pull down, alter and rebuild any existing erections or buildings required by the Company.



NOTICE

Clause 34 :	To purchase, take on lease or in exchange, hire or otherwise acquire by amalgamation, grant, concession and to let out, hire and trade, with any movable and immovable property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business, and in particular any lands, buildings, works, mines, quarries, water, rights, waterworks way leaves minerals, easements, machinery plant, stock-in-trade, boats, vessels and rolling stock.
Clause : 36	To sell, improve, manage, work develop, lease mortgage, abandon or otherwise deal with all or any part of the property rights and concessions of the Company.
Clause : 45	To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for carrying into effect any of the objects of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company, and to take or otherwise acquire and hold shares, debentures or other securities in or of any such Company.

The Company was incorporated under the Indian Companies Act, 1913 and has been in existence prior to the commencement of the Companies (Amendment) Act, 1965. The commencement of new business activities such as developing of land, properties either for IT-Park, Shopping Mall,

setting up Hotels or Service Apartment/s or for Residential complexes etc. and thereafter for sale or giving on lease, etc. not having been carried on by the Company, at the commencement of the Amendment Act i.e. in 1965 is not germane to the business being carried on by the Company and would amount to commencement of new business. Such commencement of new business/es, in view of the provisions of Section 149(2A)(a)(i) & (ii) cannot be commenced unless such commencement of new business has been approved by a Special Resolution passed in that behalf by the members of the Company at a General Meeting and the Company files a duly verified declaration with the Registrar of Companies. Other requirements of Section 149 as applicable to the Company will also be required to be adhered to. The commencement of new businesses being contemplated by the Company will be in terms of the Objects Clause of the Company.

The Board of Directors recommends this special resolution as an enabling provision, to the Members of the Company, for consideration and approval.

The Memorandum of Association of the Company is available for inspection to the Members at the Registered Office of the Company between 10 a.m. to 1 p.m. upto the date of the 82nd Annual General Meeting of the Company.

None of the Directors of the Company is in any way concerned or interested in this special resolution.

Registered Office:

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

Date : 28th May, 2008

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

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.

Increased competition from medium/large scale construction entities and availability of substitutes such as alternative pipe materials like ductile iron pipes, spirally welded steel pipes, G.R.P. / HDPE pipes are perceived as one of the threat / competition to your Company. Another cause is prices of key raw materials namely steel, steel wires, HT wires and cement which have increased very steeply in the last quarter of the year under review resulting into considerable shrinkage of margins on orders secured on 'firm prices.' In respect of orders having escalation provision, but linked to Whole Sale Price Index, (WPI) the price escalation pass-through fails short of full recovery due to WPI not rising in direct proportion to the price increase.

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 81 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. From Hyderabad Metropolitan Water Supply & Sewerage (H. M. W. S. & S.) Board, Hyderabad in Joint Venture with M/s. KCCPL, M/s. TAIPPL 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 Sahebnagar of the value of Rs.6,500 Lacs.
2. Gutpa Lift Irrigation Scheme from Irrigation & Command Area Development (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.
3. 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.

