



Annual Report 2010-11

The Indian Hume Pipe Co. Ltd.



Large Pipe. Superior Strength

MAHABUBNAGAR WATER SUPPLY IMPROVEMENT SCHEME UNDER UIDSSMT KOILSAGAR RESERVOIR



Intake well at Koisagar



Pumps and Motor



33 KV Sub Station



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



Aerator



Clariflocculator

Board of Directors

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

Company Secretary

Mr. S. M. Mandke

Executives

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

Auditors

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

Solicitors

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

Bankers

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

**Registrar &
Transfer Agent**

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

Registered Office

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

**Annual General
Meeting**

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

NOTICE

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

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

ORDINARY BUSINESS :

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

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

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. P. D. Kelkar who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed a Director of the Company."

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

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

(i) Remuneration

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

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

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

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

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

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

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

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

Remuneration

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

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

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

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

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

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



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

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

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

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

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

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

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

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

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

Registered Office:

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

Date : 24th May, 2011

NOTES:-

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.**
- (b) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special business under item Nos.6 to 8 above, to be transacted at the meeting is annexed hereto.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 15th July, 2011 to Wednesday, 27th July, 2011 (both days inclusive).
- (d) The Dividend for the year ended 31st March, 2011, as recommended by the Board, if sanctioned at the meeting, will be payable to those Members whose names appear in the Register of Members as on 15th July, 2011. In respect of shares held in Electronic (Demat) form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- (e) Shareholders who hold Shares in dematerialised form may please note that as advised by the Securities and Exchange Board of India, the Company will be mandatorily printing on the dividend warrants, the Shareholder(s) Bank Account details as furnished by the respective Depositories to the Company.

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

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

i) Mr. Rameshwar D. Sarda (58) a Bachelor of Arts is associated with the Company as Director since 1996. He has wide and rich experience in Real Estate, Hospitality, Travel & Publication of News Papers business etc. He is Director on the Boards of (1) M/s. Shrirang Prakashan Pvt. Ltd., (2) M/s.Nandkishore Fine Arts Pvt. Ltd., (3) M/s. Sarda Constructions Pvt. Ltd., (4) M/s. Purti Constructions Pvt. Ltd., (5) M/s. Bastiram Narayandas Sarda Pvt. Ltd and (6) M/s. IHP Finvest Ltd. He is a Member of the Audit Committee of the Company.

Mr. Rameshwar D. Sarda holds 500 Shares of the Company.

ii) Ms. Anima B. Kapadia (60) is associated with the Company as Director since 2001. She is an eminent and learned Solicitor & Advocate and sole proprietor of Solicitor Firm, M/s. Daphtary Ferreira & Divan, Mumbai, one of the Solicitors of the Company. She is also a Director on the Boards of M/s. Lucid Colloids Limited, Mumbai and B. A. & Bros. (ESTN) Limited, Kolkata. She is a Member of the Remuneration Committee & Chairperson of the Shareholders / Investors Grievance Committee of the Company. She is also Member of the Audit Committee of M/s Lucid Colloids Limited.

Ms. Anima Kapadia holds 830 Shares of the Company.

iii) Mr. P. D. Kelkar (78) a Civil Engineer is associated with the Company since 1958. He is the first employee of the Company to complete 52 years of service and was felicitated by the Company on 22nd October, 2008 on completion of 50 years of service with the Company. During his long and distinguished service with the Company Mr. Kelkar has worked at various places in India and abroad and had successfully handled many big projects of water supply notably among them are Manjira, Visakhapatnam, Krishna

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

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

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

(g) **Transfer to Investor Education & Protection Fund:**

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, 2003 and interim dividend for the financial year ended 31st March, 2004 had been transferred by the Company to the Investor Education & Protection Fund (IEPF) established by the Central Government under Section 205C of the Act.

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 when it became due for payment is required to be transferred to the IEPF constituted by the Central Govt.

Accordingly, the amount of dividend for the financial year 2003-2004 which remain unclaimed and unpaid as aforesaid shall be due for transfer to the IEPF on 04-09-2011 and no claim shall lie against the IEPF or the Company in respect of such amounts. We therefore request the members who have not yet encashed their dividend warrants for the financial year 2003-04 and onwards to write to the Company claiming dividends declared by the Company for the said financial years.

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

Financial year	Date of declaration of Dividend	Date of Payment of Dividend	Due date of transfer to IEPF
2003-04	30-07-2004	03-08-2004	04-09-2011
2004-05	31-01-2005 *	08-02-2005	08-03-2012
2004-05	29-07-2005	04-08-2005	03-09-2012
2005-06	31-07-2006	07-08-2006	05-09-2013
2006-07	30-07-2007	07-08-2007	04-09-2014
2007-08	30-07-2008	06-08-2008	04-09-2015
2008-09	27-07-2009	01-08-2009	01-09-2016
2009-10	29-07-2010	01-08-2010	01-09-2017

* Interim Dividend

(h) As per the provisions of the Companies Act, 1956, facility for making nomination is now available. Nomination forms in this respect can be obtained from the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd.

(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 of the Company, M/s. Link Intime India Pvt. Ltd., for shares held in physical mode. For shares held by the Members in demat mode they are requested to immediately notify change in their registered address, if any, to their respective Depository Participant.

(j) Members are requested to bring copy of the Annual Report at the time of attending the Annual General Meeting.

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

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956

Item No.6 :

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

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

Your Directors recommend the above resolution for your approval.

Item No.7 :

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

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

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

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

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



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

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

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

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

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

Your Directors recommend the above resolution for your approval.

Item No.8 :

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

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

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

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

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

Your Directors recommend the above resolution for your approval.

By Order of the Board of Directors,

S. M. Mandke
Company Secretary

Registered Office:

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

Date : 24th May, 2011

IMPORTANT COMMUNICATION TO MEMBERS

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE & DEVELOPMENT:

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

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

2. OPPORTUNITIES AND THREAT:

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

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

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

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

3. SEGMENT-WISE ACTIVITY:

The Company is considered a pioneer in the field of water industry, it is in this line for last more than 84 years. The Company's presence is there in almost all water supply related activities, viz. Urban & Rural Water Supply, Penstock for Hydro Power Generation, Tunnel Lining, Large diameter Irrigation pipelines, Head Works including pumping machinery, Treatment Plants, Overhead Tanks and other allied Civil Construction. The Company also supplies Concrete Railway sleepers to Indian Railways. The segment wise report is as under:

(A) WATER SUPPLY AND SEWERAGE PROJECTS:

(i) Some prominent Water Supply Projects successfully completed by your Company valued more than ₹ 1000 Lacs each during the year are:-

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



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

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



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

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

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

1. From The Superintending Engineer, AVR, HNSS Circle No.3, Madanapalli, Andhra Pradesh for survey, investigation, design, drawings, estimation, construction and commissioning on Turn Key basis including maintenance for 15 years (including 2 years liability period) of Pulikanuma L.I.Scheme on Tungabhadra river near Satanur (V), Kosigi (M) in Kurnool District with two stage pumping consisting of (a) construction of approach channel, (b) Jack-well cum pump house including manufacture, supply, erection of pumps, motors, panels, soft starters, capacitors, E.O.T. & H.O.T. cranes and all other electrical equipment, (c) 33 KVA sub-station, (d) H. T. Power lines, (e) Pressure mains, (f) Cisterns, (g) Reservoirs / Storage tank of capacity 1.232 TMC including Head Regulator and surplus arrangements, (h) approach and link canal to join the T.B.P. L.L.C main canal @ km270.00 etc. complete in Joint Venture with M/s. Flowmore Pvt. Ltd. of the value of ₹ 26,309.92 Lacs. Our Share is 86% i.e. ₹ 22,626.53 Lacs.



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

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



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

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



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

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



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

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

