



Indian Hume Pipe

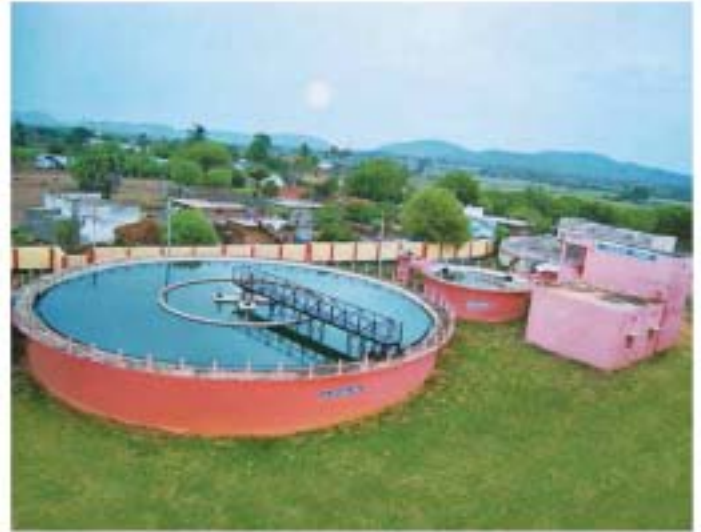


ANNUAL REPORT 2012-2013

SIDDIPET WATER SUPPLY IMPROVEMENT SCHEME



Intake Well cum Pump House



Water Treatment Plant



Ground Level Balancing Reservoir of 5 Lakh Liter Capacity.



Elevated Storage Reservoir of 8 Lakh Liter Capacity

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	
	Mr. Mayur R. Doshi	: Executive Director

Company Secretary	Mr. S. M. Mandke
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Executives	Mr. P. R. Bhat	: Sr. General Manager
	Mr. Ajay Asthana	: General Manager
	Mr. G. Pundareekam	: General Manager
	Mr. Shashank J. Shah	: General Manager
	Mr. S. P. Makhija	: General Manager
	Mr. M. S. Rajadhyaksha	: Controller of Accounts & Finance
	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
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Solicitors	M/s. Daphtary Ferreira & Divan M/s. Udwadia, Udeshi & Argus
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Bankers	State Bank of India Bank of Baroda State Bank of Hyderabad HDFC Bank Ltd. Corporation Bank
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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 Fax No. 022-25946969
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Registered Office	Construction House, 2 nd Floor, 5, Walchand Hirachand Road, Ballard Estate, Mumbai – 400 001 Tel No.: 022-22618091 / 92, 40748181 Fax No.: 022-22656863, email : info@indianhumepipe.com Website : www.indianhumepipe.com
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Annual General Meeting	Thursday, 25 th July, 2013, at 4.00 P.M. Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4 th Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai – 400 020
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NOTICE

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

DAY : Thursday
DATE : 25th July, 2013
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, 2013, 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, 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 2013-14 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 a Special 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 re-appointment of Mr. Rajas R. Doshi as the Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from 1st July, 2013 to 30th June, 2018 on the remuneration, perquisites and allowances 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 draft agreement is hereby specifically approved with liberty and power/authority to the Board of Directors (including Remuneration Committee) to increase, alter or vary the terms of the remuneration, perquisites and allowances 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 Board and Mr. Rajas R. Doshi so as not to exceed the maximum limit for the payment of remuneration as per applicable provisions including Schedule XIII of the Companies Act, 1956 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."

7. 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 2013-14 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 2013-14, 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 : 29th May, 2013



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 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 and 7 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, 12th July, 2013 to Thursday, 25th July, 2013 (both days inclusive).

(d) The Dividend for the year ended 31st March, 2013, 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 12th July, 2013. 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 three Directors whose re-appointment is placed before this AGM.

i) Ms. Jyoti R. Doshi (59) is B.A. (Hons) from University of Delhi. She is associated with the Company as Director since 1996. She has experience of more than 17 years in the Industry. She is also a Director of M/s. IHP Finvest Ltd., M/s Raj Jyoti Trading & Investment Pvt. Ltd., M/s. Mobile Systems India Pvt. Ltd., M/s. Ratanchand Investment Pvt. Ltd., Ratanchand Hirachand Foundation, Walchand Hirachand Foundation and Smt. Pramila Shantilal Shah Charity Foundation and a Trustee of Walchand Trust. She is associated with various Social Charitable activities. She has been District Chairman and President of Inner Wheel Club of Bombay. She has served as a Chair Person of Maharashtra Chamber of Commerce & Industry - Ladies Wing for two years. She is also a Trustee of Society for Rehabilitation of Crippled Children. She is a Member of the Executive Committee of Indian Merchants' Chamber -

Ladies Wing and had also shouldered the responsibility of the prestigious Exhibition Committee as Chairperson. She is relative of Mr. Rajas R. Doshi, Chairman and Managing Director and Mr. Mayur R. Doshi, Executive Director of the Company.

Ms. Jyoti R. Doshi holds 1,56,665 Equity Shares of the Company.

ii) Mr. Rajendra M. Gandhi (66) is Bachelor of Engineering (Metallurgy) from University of Pune and MBA from Michigan University, U.S.A., having good financial knowledge. He is associated with the Company since 1996 and has industry experience of more than 39 years besides being the Proprietor of M/s. Navbharat Automobiles, Solapur. He is Chairman of the Audit Committee and Member of the Remuneration Committee of the Company.

Mr. Rajendra Gandhi does not hold any Shares of the Company.

iii) Mr. Rajas R. Doshi, Chairman & Managing Director (61) is a graduate in Civil Engineering from Shivaji University. He joined Hindustan Construction Co. Ltd. (HCC) in 1975 and worked in HCC for 5 years and joined the Company in 1981 as 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 1st July, 1988. 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. Raj Jyoti Trading & Investment Pvt. Ltd.
5. Mobile Systems India Pvt. Ltd.
6. Ratanchand Investment Pvt. Ltd.
7. Ratanchand Hirachand Foundation
8. Walchand Hirachand Foundation
9. Smt. Pramila Shantilal Shah Charity Foundation
10. Prestressed Concrete Pipe Manufacturers Association of India

Companies under Section 25 of the Companies Act, 1956

He is also associated with a Charitable Institution. He is member of Shareholders' / Investors' Grievance Committee of the Company. Further he is Chairman of Remuneration Committee and Shareholders' / Investors' Grievance Committee of Modern India Ltd. and member of Audit Committee. He is also member of Audit Committee and Shareholders' / Investors' Grievance Committee of HCC.

Mr. Rajas R. Doshi holds 2,04,575 Equity Shares of the Company.

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

Mr. Mayur R. Doshi, Executive Director is son of Mr. Rajas R. Doshi.

NOTICE

(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, 2005 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 2005-06 which remain unclaimed and unpaid as aforesaid shall be due for transfer to the IEPF on 05-09-2013 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 2005-06 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
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
2010-11	27-07-2011	01-08-2011	01-09-2018
2011-12	25-07-2012	30-07-2012	31-08-2019

- (h) As per the provisions of the Companies Act, 1956, facility for making nomination is now available. The Shareholders holding shares in physical mode may download the Nomination Form from the Company's website www.indianhumepipe.com in "Financials – Corporate Governance" or may obtain it from the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company, M/s Link Intime India Pvt. Ltd. The Shareholders holding shares in demat mode may approach their Depository Participants for registering nomination details.
- (i) To support the "GREEN INITIATIVE" of the Government and enable the Company to send in electronic form Annual Reports, Notices, documents, communications and dividend payment intimation to the Members' Email Ids and to facilitate receiving of dividend to the Bank account of the Members through ECS/NECS, the members holding shares in physical form are requested to register / update their Email Ids and Bank details by downloading the Shareholder Information Form from the Company's website www.indianhumepipe.com in "Financials – Corporate Governance" and submit the same to

Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. The Shareholders holding shares in demat mode are requested to approach their Depository Participants for registering Email Ids and Bank details.

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

The members at the Annual General Meeting of the Company held on 30th July, 2008 had re-appointed Mr. Rajas R. Doshi as Chairman & Managing Director of the Company and approved the terms of remuneration, for a period of 5 years with effect from 1st July, 2008 to 30th June, 2013. Further the Members had approved payment of Minimum Remuneration to Mr. Rajas R. Doshi, Chairman & Managing Director of the Company for the financial year 2011-12 and for the remainder of his term up to 30th June, 2013 in the event of inadequate profits or loss during the said financial years by way of Special Resolution at the Annual General Meeting held on 25th July, 2012 subject to the approval of the Central Govt. Thereafter the Central Govt. had approved the payment of Minimum Remuneration of ₹ 1,19,76,122/- (Rupees One Crore Nineteen Lacs Seventy Six Thousand One Hundred and Twenty Two only) for the financial year 2011-12 and ₹ 1,41,56,870/- (Rupees One Crore Forty One Lacs Fifty Six Thousand Eight Hundred Seventy only) for the financial year 2012-13 and ₹ 35,44,405/- (Rupees Thirty Five Lacs Forty Four Thousand Four Hundred Five only) from 1st April, 2013 to 30th June, 2013 in the event of inadequate profits or loss during the said financial years, vide letter No.SRN B35933480/01/ 2012-CL-VII dated 23rd August, 2012.

The Board of Directors of the Company on recommendation of the Remuneration Committee have re-appointed Mr. Rajas R. Doshi as Chairman & Managing Director of the Company for a further period of five years from 1st July, 2013 to 30th June, 2018 at its meeting held on 29th May, 2013, subject to the approval of the Shareholders of the Company at the ensuing AGM.

The main terms & conditions regarding the re-appointment and payment of remuneration, perquisites & allowances and commission proposed to be paid to Mr. Rajas R. Doshi from 1st July, 2013 to 30th June, 2018 are set out in the draft Agreement placed before the meeting for its approval. The said



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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 re-appointment 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 and conditions of the draft agreement are as follows :

- A. Name and Designation : Mr. Rajas R. Doshi,
Chairman & Managing Director.
- B. Period : From 1st July, 2013 to 30th June, 2018
- C. Remuneration:

(i) Salary

₹ 7,00,000/- per month

(in the scale of ₹ 7,00,000 – ₹ 1,00,000 – ₹ 11,00,000)

(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 hospitalization, payment of insurance premium towards medical insurance policies and reimbursement of expenses for utilities such as gas, electricity, water, furnishing, repairs and other allowances, fees of clubs including admission, entry fees and monthly or annual subscriptions, 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 Board of Directors and the Chairman & Managing Director from time to time. However, such perquisites and allowances will be subject to 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.

- (iii) (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 & outgoing, telefax and other communication facilities.

- (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) 1) 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;

- 2) Gratuity payable as per the rules of the Company.

- 3) Encashment of leave at the end of the tenure.

The above perquisites shall not be included in the computation of above ceiling

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 hereinabove 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 87th Annual General Meeting of the Company.

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

No other Director is concerned or interested in the above Special Resolution at item No.6.

The Board recommend the above Special Resolution for your approval.

Item No.7 :

At the Annual General Meeting held on 25th July, 2012, the Members had re-appointed M/s. Brahmayya & Co., Chartered Accountants as Branch Auditors for the financial year 2012-13 for the State of Andhra Pradesh.

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The Board of Directors at their meeting held on 29th May, 2013 has recommended the re-appointment of M/s. Brahmayya & Co., Chartered Accountants to carry out the Branch Audit in the State of Andhra Pradesh for the financial year 2013-14 commencing from 1st April, 2013 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 at item No.7.

The Board 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 : 29th May, 2013

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

Continuing the "GREEN INITIATIVE" this Annual Report is printed on recycled 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 THREATS:

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 except for last year under review.

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

(A) WATER SUPPLY AND SEWERAGE PROJECTS:

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

1. From The Superintending Engineer, Public Health Circle, Ananthapur for investigation, survey, design and execution of Dharmavaram Water Supply Scheme with Chitravathi Balancing Reservoir as source under UIDSSMT Scheme consisting of 800 mm dia PSC Pipes and 700-800 mm dia MS Pipes of the value of ₹ 6,553.80 Lacs.



Clariflocculator at Dharmavaram Water Supply Scheme

2. From Public Health Engineering, Project Division, Raipur, Chhattisgarh for design, manufacturing, providing, laying, jointing, testing, commissioning and one year operation & maintenance of M.S. 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 km and 3.60 km, respectively of the value of ₹ 6,147 Lacs.
3. From Nagarjuna Construction Company Limited, Bangalore for Cauvery WSS stage IV Phase-II BWSSB W5d Project for

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- drinking water supply to Bangalore. This involves supply & laying of 2125 mm, 1825 mm & 1025 mm dia M.S. Pipes of the value of ₹ 5,400 Lacs.
4. 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 consisting of 600 mm dia BWSC pipes of the value of ₹ 4,554.39 Lacs.
 5. From Chief Engineer, Greater Vishakapatnam 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 consisting of 1000 mm dia BWSC and 1000 mm dia PSC pipes of the value of ₹ 3,356.62 Lacs.
 6. From M/s IVRCL Ltd, for Manufacture and supply of PSC pipes consisting of 400 mm dia to 900 mm dia for Tipitpur Water supply Scheme of the value of ₹ 2,676.77 Lacs.
 7. From The Chief Engineer, TWAD Board, Western Region, Coimbatore for implementation of Combined Water Supply Scheme to Madathukulam, Sankaramanallur, Kumaranlingam, Kaniyur Town Panchayats and 112 Rural Habitations in Madathukulam, Udumalpet and Kudimangalam Unions of Tiruppur District of the Value of ₹ 2,590.95 Lacs.
 8. From The Superintending Engineer, Public Health Circle, N.E.Seethammadhara, Visakhapatnam, Andhra Pradesh for Investigation, Surveying, design, preparation of detailed estimates and execution of the project Srikakulam Water Supply Improvement Scheme to draw a quantity of 21.19 MLD of drinking water from river Nagavali as Source under UIDSSMT Programme consisting of construction of infiltration wells, infiltration galleries, collection well cum pump houses, providing suitable capacity pump sets in the collection well cum pump houses, pumping main from the collection wells to the balancing reservoir, balancing reservoir, gravity mains to the existing and proposed service reservoirs in 11 water supply blocks, ELSRs and distribution network for the entire town including mechanical and electrification works, barricading works, diversion of traffic, temporary roads, as per CPHEEO manuals and relevant IS Codes including two years defect liability period consisting of 250-800 mm dia BWSC pipes of the Value of ₹ 2,199.22 Lacs.
 9. From The Chief Engineer, BWSSB, Bangalore for O-Flow Bangalore drainage Scheme consisting of RCC Pipes of the value of ₹ 1,770.47 Lacs.
 10. From M/s IVRCL Ltd, for Manufacture and supply of PSC pipes consisting of 350 mm dia to 1100 mm dia for Tumkur Water supply Scheme of the value of ₹ 1,560.89 Lacs.
 11. In addition to the above we have successfully completed 35 projects amounting to ₹ 5,894.86 Lacs of the value less than ₹ 1,000 Lacs each at various locations in India.



Intake Well Cum-Pump House in River Godavari for Bhadrachalam Water Supply Scheme

(ii) Company's works on many Water Supply Projects and Drainage Schemes 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 Turnkey basis including maintenance for 15 years (including 2 years liability period) of Pulikanuma L.I.Scheme on Tungabhadra river near Satanur Village, Kosigi Mandal 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 consisting of 2000 mm dia PSC pipeline (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 @ km 270 etc. 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.
2. From The Superintending Engineer, Rural Water Supply & Sanitation Ananthapur, for J.C. Nagi Reddy Drinking Water Supply Scheme in Ananthapur District (Phase-IV) consisting of 350, 800 & 900 mm dia BWSC pipes of the value of ₹ 15,384.57 Lacs.
3. From The Chief Engineer, TWAD Board, Western Region, Coimbatore for providing water supply to Palladam Municipality, 23 Town Panchayats and 965 rural habitations in Coimbatore and Tiruppur District consisting of 460 mm to 1020 mm dia 66.67 Km MS Pipes, 100 mm dia to 400 mm dia 89.36 Km DI Pipes and 50 mm to 160 mm dia 950.80 Km PVC Pipes including 17 Nos Sump and 103 Nos Service Reservoir of the value of ₹ 15,200.50 Lacs.

