

Board of Directors	Mr. Rajas R. Doshi 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	-	Chairman & Managing Director
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Company Secretary	Mr. S. M. Mandke
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Executives	Mr. P. D. Kelkar Mr. P. R. Bhat Mr. Ajay Asthana Mr. Mayur R. Doshi Mr. G. Pundareekam Mr. Shashank J. Shah Mr. S. Arunachalam Mr. M. S. Rajadhyaksha Mr. S. G. Khaladkar Mr. B. S. Narkhade Mr. A. B. Joshi	- - - - - - - - - - -	Sr. General Manager Sr. General Manager General Manager General Manager General Manager General Manager Dy. General Manager Controller of Accounts & Finance Sr. General Manager - Corporate Affairs Chief Internal Auditor Chief Personnel Manager
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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 & Advocates	M/s. Daphtary Ferreira & Divan, Mumbai M/s. Kanga & Co., Mumbai
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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 & Share Transfer Agent	M/s. Link Intime India Pvt. Ltd. (formerly M/s. Intime Spectrum Registry 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
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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
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Annual General Meeting	Monday, 27 th July, 2009, at 4.00 P.M. Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th Floor, Indian Merchants' Chamber Marg, Churchgate, Mumbai – 400 020
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NOTICE

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

DAY : Monday
DATE : 27th July, 2009
TIME : 4.00 P. M.
PLACE : Walchand Hirachand Hall,
Indian Merchants' Chamber Building, 4th floor,
Indian Merchants' Chamber Marg,
Churchgate, Mumbai - 400 020

To transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2009, 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. Ajit Gulabchand, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. Balakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Vijay Kumar Jatia, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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 2009-10 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 :

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, retiring Branch Auditors of the Company, 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 for the financial year 2009-10 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 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 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."

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

"RESOLVED THAT subject to provisions of Section 198 and 309 of the Companies Act, 1956 and other applicable provisions if any, the Non Executive Directors of the Company be paid, in addition to the sitting fees for attending the meetings of the Board or Committees thereof, a commission not exceeding 1% of the net profits of the Company or an amount not exceeding Rs.16 Lacs in aggregate, whichever is less, per financial year, for a period of 3 years commencing from the financial year 2009-10.

RESOLVED FURTHER THAT the quantum of commission payable to each of Non Executive Directors be decided by the Board as it may deem fit."

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, 2009



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 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.7 & 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, 15th July, 2009 to Monday, 27th July, 2009 (both days inclusive).

(d) The Dividend for the year ended 31st March, 2009, 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, 2009. 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.

i) Mr. Ajit Gulabchand (60) is associated with the Company as Director since 1993. He has over 30 years experience in the construction business and is the Chairman & Managing Director of M/s. Hindustan Construction Co. Ltd. He is on the Board of renowned listed Companies such as Bajaj Electricals Ltd., RPG Life Sciences Ltd. and on the Board of Hicon Finance Ltd., Hicon Technoconsult Ltd., Hicon Holdings Ltd., HCC Real Estate Ltd., HCC Infrastructure Ltd., HCC Construction Ltd., Lavasa Corporation Ltd. (Chairman), Western Securities Ltd., and Charosa Wineries Ltd. He is also Chairman of Board of Governance, National Institute of Construction Management And Research and the Chairman of Walchand College of Engineering, Sangli.

He is Member of Shareholders / Investors Grievance Committee of the Company and M/s. Hindustan Construction Co. Ltd. He is Member of Audit Committee of M/s. Bajaj Electricals Ltd. and M/s. Charosa Wineries Ltd. He is also Member of Remuneration Committee of M/s. Bajaj Electricals Ltd.

Mr. Ajit Gulabchand holds 3,883 Shares of the Company.

ii) Mr. N. Balakrishnan (71) is associated with the Company as Director since 1998. He has retired from Life Insurance Corporation of India after serving as an Executive Director. He is also a Director on the Board of M/s. Vijayeswari Textiles Ltd., Coimbatore.

He is Chairman of the Remuneration Committee & Member of the Shareholders / Investors Grievance Committee of the Company. He is also Member of the Audit Committee of M/s. Vijayeswari Textiles Ltd., Coimbatore.

Mr. N. Balakrishnan does not hold any Shares of the Company.

iii) Mr. Vijay Kumar Jatia (51) is associated with the Company as Director since 2001. He has over 34 years of experience in the industry. He is Chairman & Managing Director of Modern India Ltd. (MIL). He is also a Director on Board of Shree Rani Sati Investment & Finance Ltd. (SRS), Indian Institute of Jewellery Ltd., Sarat Leasing & Finance Ltd., F. Pudmjee Investment Co. Ltd., Modern India Property Developers Ltd., Modern India Realty & Infrastructures Ltd., Modern India Free Trade Warehousing P. Ltd. (subsidiary of MIL) and Modern Derivative & Commodities Pvt. Ltd. (subsidiary of SRS).

He is a Member of the Remuneration Committee and Audit Committee of the Company. He is also a Member of the Shareholders / Investors Grievance Committee of M/s. Modern India Ltd.

Mr. Vijay Kumar Jatia holds 166 equity shares of the Company.

(g) Transfer of funds 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, 2001 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 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 2001-2002 which remain unclaimed and unpaid as aforesaid shall be due for transfer to the IEPF on 24-09-2009 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 2001-02 and onwards to write immediately to the Company claiming dividends declared by the Company for the said financial years.

NOTICE

- 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
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
2007-08	30-07-2008	06-08-2008	04-09-2015

* Interim Dividend

- (h) As per the provisions of the 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 or Registrar & Share Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd. (formerly M/s. Intime Spectrum Registry 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. (formerly M/s. Intime Spectrum Registry 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 the copies of the Annual Report at the time of attending the Annual General Meeting.
- (k) Members / Proxy-holders are requested to produce at the entrance of the Hall, Admission Slip forwarded to them, duly completed and signed, in accordance with the specimen 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.7:

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 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 2008-09, in the Annual General Meeting held on 30th July, 2008.

The Board of Directors in their meeting held on 28th May, 2009 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 2009-10 commencing from 1st April, 2009 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 226 and/or 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 at item No.7 for your approval.

Item No.8:

Presently the Non Executive Directors are paid remuneration by way of commission on net profits of the Company not exceeding Rs.10 Lacs in aggregate for a period of 3 years from the financial year 2006-07, in pursuance of the resolution u/s 198 and 309 of the Companies Act, 1956 passed by the Members at the Annual General Meeting held on 31st July, 2006. In addition to the commission on net profits, the Non Executive Directors are entitled to sitting fees for each meeting of the Board or Committees thereof attended by them.

In pursuance of the Members authorisation a commission of Rs.1,42,857/- was paid equally to each Non Executive Director of the Company aggregating to Rs.9,99,999/- for financial year 2006-07 & 2007-08. The commission for the financial year 2008-09 will be paid equally to all the Non Executive Directors of the Company.

Considering increase in the Company's operations and time devoted and responsibilities shouldered by the Non Executive Directors, it is proposed to continue payment of commission, under Section 198 and 309 of the Companies Act, 1956, not exceeding 1% of net profits of the Company or an amount not exceeding Rs.16 Lacs in aggregate, whichever is less, per financial year, for a further period of 3 years commencing from the financial year 2009-10 in terms of the Special resolution at item No.8.

Your Directors recommend the above Special Resolution at item No.8 for your approval.

All the Directors are deemed to be concerned or interested in this Special 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, 2009



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 intake well, water sump, water treatment plant, water pumping stations, installation of pumping machineries, electro-mechanical works, branch mains, ground level reservoirs, 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, drainage scheme, sewerage scheme 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 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 had remained high in the first three quarters 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 has fallen 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 82 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 Tamilnadu Water Supply & Drainage (TWAD) Board, Western Region, Coimbatore for Combined Water Supply Scheme to 6 town panchayats and 1399 rural habitations in Pattinam and Seerpalli in Namakkal District of the value of Rs.6,723 Lacs.
2. From Panchayat Raj Engineering Department, Medak for CPWS Gajwel involving 1000mm, 450 mm, 400 mm and 350 mm dia BWSC pipes of the value of Rs. 3,990.99 Lacs.



Clarifloculator at Gajwel Phase-I Project.

3. From M/s. Larsen & Toubro Ltd., Chennai for implementation of Combined Water Supply Scheme to 5 Municipalities, 11 town panchayats and 3163 rural habitations in Ramanathapuram, Sivagangai and Pudukkottai Districts - package VII - R. S. Mangalam Cross to Sayalkudi of the value of Rs.2,303 Lacs.
4. From I.V.R.C.L. Infrastructure & Projects Limited for supply of PSC pipes for Bisalpur Dudu Water Supply Project (Transmission – Main II) in Rajasthan of the value of Rs.2,170 Lacs.
5. From M/s. IVRCL Infrastructure & Projects Ltd. for supply of various diameters pipes ranging from 350 mm dia to 1600 mm dia PSC pipes for Purandar Lift Irrigation Scheme of Maharashtra Krishna Valley Development Corporation, Pune of the value of Rs.2,061 Lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

6. From Andhra Pradesh State Irrigation Development Corporation Ltd., Nirmal for supply, laying, jointing, testing and commissioning with civil works of PSC pipes for Kanakapur Lift Irrigation Scheme of the value of Rs.1,634.94 Lacs.
7. From Projects & Works Circle, Hyderabad Metropolitan Water Supply & Sewerage (H.M.W.S. & S.) Board, Khairatabad, Hyderabad for manufacturing, supplying, lowering, laying, jointing, testing and commissioning of 800 mm dia MS Pumping main from Sainikpuri Reservoir to the Proposed Sump at Balajinagar for providing water supply to Rajiv Gruhakalpa Housing Colonies at Kowkur, Jawaharnagar and Ahmedguda of the value of Rs.1,106.19 Lacs.
8. In addition to the above we have successfully completed 23 more projects amounting to Rs.9,628.64 Lacs at various locations in India.

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

1. 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 the construction of sumps, intake well cum pump house with foot bridge and ground level balancing reservoir etc. for J. C. Nagi Reddy Drinking Water Supply Project in Anantpur of the value of Rs.11,589.71 Lacs.
2. From TWAD Board, Southern Region, Madurai for implementation of Combined Water Supply Scheme to 5 Municipalities, 11 town panchayats and 3163 rural habitations in Ramanathapuram, Sivagangai and Pudukkottai Districts - package VI - All components in between R. S. Mangalam Cross to Rameswaram Cross of the value of Rs.8,040 Lacs.
3. From TWAD Board, Southern Region, Madurai for implementation of Combined Water Supply Scheme to 5 Municipalities, 11 town panchayats and 3163 rural habitations in Ramanathapuram, Sivagangai and Pudukkottai Districts, package III - All components in between Sump at Alavayal to Sump at Kalayarkoil of the value of Rs.7,231 Lacs.
4. From 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 Rs.6,798.95 Lacs.
5. From Public Health Circle, Anantpur for Anantpur Water Supply Improvement Scheme with PABR as source under UIDSSMT Scheme - Construction of various civil structures including filtration plant, providing, laying of pumping mains, gravity mains and providing of pump sets with all electrical and mechanical equipments of the value of Rs.6,728.55 Lacs.
6. 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 Rs.6,147 Lacs.



1700 mm and 1400 mm dia M.S. Pipeline for Raipur Augmentation Water Supply Scheme.

7. From Irrigation & Command Area Development (CAD) Department, Yemmiganoor for supply, laying, jointing testing and commissioning with allied civil including electro mechanical components with PSC/MS pipes for Lift Irrigation Scheme under Guru Raghavendra Project namely Duddi, Madhavaram and Basala Doddi near Mantralayam, Kurnool District of the value of Rs.5,999.23 Lacs.
8. From Public Health West Circle, AC Guards, Hyderabad for investigation, survey, design and execution of - Mahaboobnagar Water Supply and Improvement Scheme of the value of Rs.4,614.97 Lacs.
9. From 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 of the value of Rs.4,554.39 Lacs.
10. From Municipal Corporation, Vishakapatnam Augmentation of drinking water supply to Gajuwaka Area in Vishakapatnam under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) Package-1 of the value of Rs.3,356.62 Lacs.
11. From Greater Vishakhapatnam Municipal Corporation, Vishakhapatnam for replacement of existing Thatipudi pipeline from i) Thatipudi reservoir to existing water treatment plant at Krishnapuram and from balancing reservoir at Uttarapalli to Vepugunta with 900 mm dia BWSC pipes ii) Vepugunta to Baji Junction with 800 mm dia BWSC pipes and iii) Baji Junction to town service reservoir with 700 mm dia BWSC pipes under package - I of the value of Rs.3,053.68 Lacs.
12. 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.
13. From Public Health Circle, Nellore for Investigation, design, execution of Nagari Water Supply Scheme by construction of storage tank, treatment plant, erection of pumping machinery, construction of pump houses, laying of raw water / clear water pumping mains / gravity mains, construction of clear water



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- sump at treatment plant, construction of ELSRs', including trial run and commissioning of the scheme with GNSS as source of the value of Rs.2,917.33 Lacs.
14. From Public Health Circle, Warangal for Warangal Water Supply Improvement Scheme under UIDSSMT - Construction of Jack well, providing MS raw water conduit to the earthen bund of Dharmasagar Reservoir by tunneling and jacking, MS/BWSC raw water gravity mains, DI / BWSC pumping mains and Railway crossing arrangements in Warangal Municipal Corporation in Joint Venture with M/s. Nagarjuna Construction Co. Ltd. and M/s. Megha Infrastructure Ltd. of the value of 18,540.12 Lacs and our Company's share is 15% i.e. Rs.2,781.02 Lacs.
 15. From PHED Nellore, Andhra Pradesh for Kandukur Water Supply Improvement Scheme for supply, laying, jointing and testing of 800 mm dia PSC pipes of the value of Rs.2,636.57 Lacs.
 16. From TWAD Board, Western Region, Coimbatore for Combined Water Supply Scheme to Kurichi, Kuniimuthur Municipalities and Kinathukaavu Special Village Panchayat in Coimbatore District of the value of Rs.2,576 Lacs.
 17. From TWAD Board, Southern Region, Madurai for providing water supply scheme to Tsunami affected coastal 113 habitations in Tirunelveli District of the value of Rs.2,451 Lacs.
 18. From Karnataka Urban Water Supply and Drainage Board, Hassan for providing water supply scheme to kadur town and 34 Nos. of enroute villages with Bhadra river as source of the value of Rs.2,213 Lacs.
 19. From Public Health Circle, N. E. Seethammadhara, Visakhapatnam for investigation, survey, design, preparation of detailed estimates and execution of the project Srikakulam Water Supply Improvement Scheme of the value of Rs.2,199.22 Lacs.
 20. From Public Health Engineering Department (PHED) Region, Ajmer for the execution of Ajmer Water Supply Scheme involving MS pipe supply, laying, jointing, testing and commissioning with civil works of the value of Rs.2,044 Lacs.
 21. From Public Health West Circle, AC Guards, Hyderabad for investigation, survey, design and execution of Bodhan Water Supply Improvement Scheme with Bellal Tank as source including transmission and distribution lines, filtration plant, reservoirs, pumping machinery and all other appurtenant civil works of the value of Rs.1,936.05 Lacs.
 22. From Andhra Pradesh State Irrigation Development Corporation Ltd. for construction and commissioning of Gundaipet Lift Irrigation Scheme on Wardha river in Kowthala Mandal of Adilabad District including operation of the scheme for two years on turnkey basis of the value of Rs.1,817.22 Lacs.
 23. From M/s IVRCL Infrastructure & Projects Ltd. for Supply of 1200mm & 1300mm dia PSC pipes for Dholpur Bharatpur work in Rajasthan of the value of Rs.1,633.03 Lacs.
 24. From Maharashtra Krishna Valley Development Corporation for Wangana Lift Irrigation Scheme of the value of Rs.1,300 Lacs.
 25. From TWAD Board, Northern Region, Vellore for Cuddalore UGSS package – 3 consisting of PSC pipes / Stone-ware pipes / RCC pipes and other civil works of the value of Rs.1,289 Lacs.
 26. From Irrigation & CAD Department, Yemmiganoor, Kurnool District for Pulachinta Lift Irrigation Scheme of the value of Rs.1,221.49 Lacs.
 27. From Greater Vishakhapatnam Municipal Corporation, Vishakhapatnam in Joint Venture with M/s. Vishwa Infrastructure & Services Pvt. Ltd. for supplying, lowering, laying, jointing, testing and commissioning of 900 mm dia and 600 mm dia MS / BWSC pipes of the total value of Rs.2,119.81 Lacs and our Company's share is 52% i.e. Rs.1,102.30 Lacs.
 28. From Irrigation & CAD Department, Yemmiganoor, Kurnool District for Soganuru Lift Irrigation Scheme work of the value of Rs.1,059 Lacs.
 29. From M/s. Ranjit Buildcon Ltd. for Bhavnagar Municipal Corporation for supply of BWSC pipes under Bhavnagar water supply scheme of the value of Rs.1,029.63 Lacs.
 30. From Andhra Pradesh State Irrigation Development Corporation Ltd., Nirmal for supply, laying, jointing, testing and commissioning with civil works of PSC pipes for Sandegaon Lift Irrigation Scheme of the value of Rs.1,018.17 Lacs.
 31. In addition to the above, 13 projects are progressing well amounting to Rs.8,078.76 Lacs at various locations in India.
- (iii) **Some of the New Orders secured by the Company during the year are:-**
1. From The Superintending Engineer, Irrigation & CAD Dept. AVR HNSS Circle No.3, Madanapalli for survey, investigation, designs, drawings, estimation, construction and commissioning on turnkey basis including maintenance for 15 years (including 2 years liability period) of Pulikanuma L.I Scheme on right bank of 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) 33/11 KV Sub-Stations (d) H.T Power Lines (e) Pressure mains (f) Cisterns (g) Reservoir/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 270.00 etc., complete in Joint Venture with M/s. Flowmore Pvt. Ltd. of the value of Rs.26,309.92 Lacs and our Company's share is 86% i.e. Rs.22,626.53 Lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

2. From The Superintending Engineer, RWS&S, Anantapur for J.C.Nagi Reddy Drinking Water Supply Scheme Phase II & III in Ananthapur District of the value of Rs.13,592.90 Lacs.



1000 mm & 600 mm dia M.S. Pipe lines for J. C. Nagi Reddy Drinking Water Supply Scheme, Phase II & III, Ananthapur District, Andhra Pradesh.

3. From Andhra Pradesh Industrial Infrastructure Ltd, Parishrama Bhavan, Basheerbagh, Hyderabad, Andhra Pradesh for Manufacturing, supplying, lowering, laying, jointing, testing and commissioning of 2200mm dia MS pumping main with cement mortar factory inlining and outcoating and other appurtenances from proposed Intake Well near Old Madhavaram on foreshore of Somasila Reservoir to the proposed Sump at Kanumalonipalli (on Kadapa – Rajampet Highway) including manning & operation for a period of 24 months (defect liability period)- Package-I (Somasila) in Joint Venture with M/s. Megha Infrastructure Ltd., M/s. Koya & Co. Construction Pvt. Ltd., M/s. Bhoorathnom Construction Co. Pvt. Ltd. and M/s. Tahir Ali Industries & Projects (P) Ltd. of the value of Rs.26738.71 Lacs and our Company's shares is 28% i.e. Rs.7,486.84 Lacs.
4. From The Superintending Engineer, Public Health Division, Ananthapur for investigation, survey, design and execution of Dharmavaram Water Supply Scheme with Chitravathi Balancing Reservoir as source under UIDSSMT Scheme of the value of Rs.6,553.80 Lacs.
5. From H. M. W. S. & S. B., S. R. Nagar, Hyderabad for rehabilitation, strengthening and improvement of sewerage system in old city area for 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-I in Joint Venture with M/s. Vishwa Infrastructure & Services Pvt. Ltd. and M/s. Modern Construction Co. of the value of Rs.12,006.76 Lacs and our Company's share is 48% i.e. Rs.5,763.24 Lacs.
6. From The Superintending Engineer (XVIII) Circle, U.P.Jal Nigam, Ghaziabad for supply, laying, jointing, testing & commissioning 2000 mm dia PSC pipes from Upper Ganga Canal for Noida to THA Ghaziabad of the value of Rs.5,443.28 Lacs.
7. 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 Rs.5,303.65 Lacs.
8. From The Superintending Engineer, Public Health Division, Ananthapur for investigation, survey, design and execution of Rajampeta Water Supply Scheme with Annamayya Project as Source under UIDSSMT Scheme of the value of Rs.3,885.87 Lacs.
9. 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 Rs.3,773 Lacs.
10. 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, and construction of ELSRs including protection walls and providing of pump sets with all electrical and mechanical equipments and providing road restoration and service road with 2 years defect liability period under EPC system of the value of Rs.3,273.84 Lacs.
11. From TWAD Board, Coimbatore for implementation of Combined Water Supply Scheme to Madathukulam of the value of Rs.2,590.95 Lacs.
12. From Superintending Engineer, Rural Water Supply & Sanitation, Nalgonda for CPWSS to fluoride affected areas in Alair and Mothkur areas in Nalgonda District of the value of Rs.2,246 Lacs.
13. From Andhra Pradesh State Irrigation Development Corporation, Hyderabad for construction and commissioning on turnkey basis and operation of the scheme for one year of Dondapadu Lift Irrigation Scheme on Krishna River near Dondapadu village in Mellacheruvu (M) of Nalgonda District of the value of Rs.2,110.53 Lacs.
14. From H. M. W. S. & S. Board, Maitrivihar, Ameerpeth, Hyderabad for providing inlet, outlet and distribution system for 5 ML capacity new GLSR at Asmangadh in Asmangadh zone of the value of Rs.1,540.10 Lacs.
15. From The Superintending Engineer, Rural Water Supply & Sanitation, Sangareddy Circle, Sadashivpet for CPWSS to Gajwel, Narsapur, Ramayampet and Dommat constituencies in Medak District of the value of Rs.1,453.45 Lacs.
16. From The Superintending Engineer, Rural Water Supply and Sanitation Circle, Uppal, Hyderabad for CPWSS to Quality Affected Habitations in Chevella constituency and other habitations of Ranga Reddy District of the value of Rs.1,316.71 Lacs.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

17. From The Superintending Engineer, Rural Water Supply & Sanitation, Kadapa for Augmentation of CPWS Scheme to Mylavaram and other Habitations of the value of Rs.1,295.35 Lacs.
18. From TWAD Board, Madurai for CWSS to Thirurupparankunbram Municipality and Harveepatty Town Panchayats near Madurai of the value of Rs.1277.56 Lacs.
19. From The Superintending Engineer, Rural Water Supply & Sanitation Circle, Panchayat Raj Engineering Department, Kakinada for CPWS Scheme to Atreyapuram & other Habitations and CPWS Scheme to Tatipaka & other Habitations in East Godavari District of the value of Rs.1,001.89 Lacs.
20. In addition to the above we have secured 28 orders amounting to Rs.12,822.70 Lacs at various locations in India.

(B) Power Projects:

During the year 2005-06, the Company has received an order for fabrication and erection of 3000 mm & 4000 mm dia Penstock pipes alongwith the Civil works for Varahi Hydroelectric Project of the value of Rs.3,260 Lacs at Varahi in Karnataka State which was reduced to Rs.3,200 Lacs due to site conditions. The same work was completed and commissioned during the year.

(C) Railway Sleepers:

The Company has received an order from Railway Board for 1,96,000 Nos. sleepers amounting to Rs.2,218.72 Lacs.

The aforesaid work is progressing well. The Company has manufactured 71,033 concrete sleepers during the year amounting to Rs.754.52 Lacs.

These Sleeper supplies are regulated by North Central Railway.

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

Your Company has introduced a new pipe i.e. "Bar Wrapped Steel Cylinder pipes" (BWSC) as an alternative pipe material mainly to M.S. and D.I. pipes. These BWSC pipes were introduced in different States as a trial and now this pipe material has become popular among various Government authorities.

Initially the Company started manufacture of BWSC pipes duly incorporating modifications at its existing PSC pipe plants and looking to the increased demand, the Company specially set up a new plant in December, 2005 at Choutuppal in A.P. for manufacturing BWSC pipes wherein the Company achieved much better productivity. During the year 2008-09, the Company has produced 96 Kms. of pipes in Choutuppal plant valued at Rs.4,876.99 Lacs. During the year under review the Company as a whole produced BWSC pipes valued at Rs.12,178 Lacs as against Rs.7,687 Lacs last year.

During the financial year 2008-09, the Company has received orders worth of Rs.11,364.10 Lacs for BWSC pipes alongwith other civil works. The Company has commissioned its new plant to manufacture BWSC pipes at Chillamathur in A.P. in March, 2009 to cater to the increased demand for these pipes.

(E) National Rifle Division:

The National Rifle Division, at Ahmedabad has recently introduced two new models namely 0.177 "Compressed Air Rifle" and 0.177 "Compressed Air Pistol" to enable shooters to acquire efficiency in target shooting and gain recognition in the State and National and International shooting competitions. The response is very good and shooters are very happy with the performance of the two models. The Company is already manufacturing 8 types of air rifles and air pistols for last more than 20 years and are marketed by our reputed Distributors all over India.



Compressed Air Rifle and Air Pistol

4. Outlook:

The political stability at the Centre and in States which is very vital for the economic progress of the Country is becoming a reality as emerging from the outcome of the results of recently concluded Parliamentary and State Assembly elections. The States and Central Government are giving more emphasis on infrastructure development in the country. Water supply has always been a very important infrastructure activity for any populous location. For urban & rural water supply projects the main customers have always been Public Health Engineering Department and Panchayat Raj Engineering Department of various State Governments, Corporations, Municipalities, Water & Sewerage Boards, etc. There is huge potential for water supply, sewage disposal, head works, treatment plants etc. In urban areas more than 40% of the population does not have access to drinking water while in rural area more than 60-65% of the population does not have access to drinking water. Considering the above factors, outlook for the Company in the water supply, drainage and sewerage segments are encouraging and good.

5. Risks & Concerns:

The Company's activities and prospects largely depend on the implementation of various water supply related projects undertaken by various State / Central Government Agencies. The Company is doing the business with various State Governments and it depends upon their policy on approval of finance and allocation of funds as well as their ability to raise funds to undertake such water supply projects amongst various infrastructure related projects being implemented by them. Adverse changes and lack of funds delays the works resulting in higher cost and can also affect the business prospects of the Industry and the Company. Severe competition from the manufacturers of alternative pipes like Ductile Iron, Glassfibre Reinforced Plastic, PVC, H.D.P. E. and Spirally Welded Steel pipes is existing and can affect Company's business prospects.

During the first nine months of the year under review, the prices of the Company's key raw materials i.e. steel and cement remained high. There was a sudden increase in the prices of steel in International and Domestic market. However in the last quarter of the year under review the prices of key raw materials had decreased

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- (i) The prices of mild steel wire rods went up approximately from Rs.38,000/- per M.T. to Rs.55,200/- per M.T. showing an increase of about 45% in the price.
- (ii) The prices of steel plates went up approximately from Rs.41,200/- per M.T. to Rs.57,700/- per M.T. showing an increase of approximately 40% in the total price of steel particularly in Hot Rolled Coils and Hot Rolled plates.
- (iii) The prices of H.T. wire went up approximately from Rs.34,200/- per M.T. to Rs.52,000/- per M.T. showing an increase of approximately 52% in the basic price of H. T. wire.
- (iv) The prices of cement went up approximately from Rs.4,300/- per M.T. to Rs.5,100/- per M.T. showing an increase of approximately 18% in the total price of cement.

Volatility in the prices of key raw materials especially steel has become a major area of concern for your Company.

6. Internal Control Systems:

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

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

7. Financial Performance with respect to Operational Performance:

For the year ended 31st March 2009, the Company has achieved an adjusted turnover of Rs.66,534.80 Lacs as compared to last year's adjusted turnover of Rs.45,180.13 Lacs. The profit before tax & before prior year's charge is Rs.3,341.36 Lacs as against Rs.2,256.90 Lacs achieved last year. The Company has good order book position of Rs.1,49,851.59 Lacs as on 31st March, 2009 as compared to Rs.1,13,952.23 Lacs in the previous year.

8. Human Resources and Industrial Relations :

The Company has total strength of 1482 employees as on 31st March, 2009 working at various locations such as Factories / Projects / Head Office and Research & Development Department.

The management has successfully negotiated and settled the demands of workmen working at its factories at Hyderabad, Kekri and Vatva.

In consideration with overall market conditions and increase in Consumer Price Index figure, the Company had revised salaries of monthly rated staff w.e.f.1st August, 2008.

The Company has appointed Sr. Manager - Training & Development for arranging in-house Training Programmes / Seminars/ Workshops for employees working at various factories & projects for giving training on the topics related with improving quality of our products, supervisory skills & industrial safety, preventive maintenance, etc. and make them well-equipped with the required knowledge to enable them to take more responsibilities at various positions. Training programmes for the engineers were conducted at Company's factories at Vadgaon and Thanjavur.

Similarly to have awareness about Industrial Safety measures at work places, training programmes were arranged at Vadgaon, Miraj and Kanhan factories.

The industrial relations with the workmen at various units of the Company were by and large peaceful and normal.

9. Corporate Social Responsibility:

In keeping with the noble and rich tradition of charity inculcated by our founder Late Seth Walchand Hirachand an Industrialist and a Legendary, Visionary and Philanthropist of his era, the Company had donated Rs.50 Lacs in 2004-05 as corpus donation to the Ratanchand Foundation, a trust promoted and sponsored by the Promoters of the Company, for carrying out charitable activities such as Educational Grant to needy students and Institutions, Medical Aid to the patients as well as to the Hospitals / Charitable Trusts and donation of costly medical equipments to the hospitals.



Anesthesia Machine

Lacs was donated to Lokmanya Tilak Municipal Medical College & General Hospital, Sion, Mumbai (LTMG Hospital, Sion).

Similarly, the Walchand Foundation, a trust promoted and sponsored



Ventilator System

10. Cautionary Statement:

Statements in this Mahnagement Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a schedule of implementation of various water supply related projects undertaken by various State / Central Government Agencies, significant changes in political and economic environment in India, exchange rate fluctuations, prices and availability of key raw materials like steel and cement, tax laws, litigation, labour relations and interest costs.

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Dated : 28th May, 2009



DIRECTORS' REPORT

TO
THE MEMBERS,

Your Directors are pleased to present to you the Annual Report on the business operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2009.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	Year Ended 31-3-2009	Year Ended 31-3-2008
THE NET PROFIT :	2,530.89	1,501.76
After providing for		
Depreciation :	491.30	405.95
Taxation for the year :	1,172.00	736.00
Fringe Benefit Tax :	37.00	32.00
Add: Balance Brought		
Forward from last year :	<u>6,352.80</u>	5,947.81
Surplus available for allocation :	<u>8,883.69</u>	<u>7,449.57</u>
ALLOCATION :-		
Proposed Dividend :	411.80	339.13
Tax on Dividend :	69.99	57.64
General Reserve No.I :	700.00	700.00
General Reserve No.II :	400.00	-
Surplus Carried to Balance Sheet :	<u>7,301.90</u>	6,352.80
Total :	<u>8,883.69</u>	<u>7,449.57</u>

PERFORMANCE REVIEW :

Your Company's operations of its various projects under execution continued to be profitable, with continued efforts to reduce costs and improve yield as also bettering the productivity levels. During the year under review, the income from operations has grown by 47.27% from Rs.45,180.13 Lacs to Rs.66,534.80 Lacs. The profit after tax for the year at Rs.2,530.89 Lacs was considerably higher as compared to Rs.1,501.76 Lacs for the previous year signifying a growth of 68.53%. The Prior Years' Adjustments and Exceptional Items on account of Income Tax refund of earlier years was much higher at Rs.398.53 Lacs as compared to Rs.18.94 Lacs of the previous year.

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs.8.50 per share (85%) as against Rs.7/- per share (70%) for the previous year; payable to those equity shareholders whose names stand registered in the books of your Company as on the book closure date.

The total equity dividend together with the dividend tax will absorb Rs.481.79 Lacs.

FINANCE :

During the year under review, the liquidity position of your Company was maintained satisfactorily and optimum utilisation of financial resources was achieved. The Company has inducted HDFC Bank Ltd. and Corporation Bank as its Bankers in its Consortium of Banks. Due to firming up of interest rates and increase in level of borrowings for achieving higher sales turnover, the interest costs on the borrowed funds have gone up. The Company has been prompt in meeting the obligations towards its bankers and other trade creditors.

INCOME TAX ASSESSMENT :

The Income Tax assessment of your Company has been completed till financial year 2005-06. The Company's appeals against the assessment orders for various financial years are pending with the Appellate Authorities. The amount involved in the appeal is Rs.3,048.70 Lacs, for which necessary provision has been made in the accounts.

During the year, the Income Tax Department has determined a refund of Rs.545.02 Lacs including interest arising from the orders of Appellate Authorities and Assessing Officer, in respect of prior years. The Company's appeal before the Income Tax Appellate Tribunal, Mumbai Bench, for the financial year 2002-03 has been decided in Company's favour. This appeal inter-alia included the major claim of deduction u/s 80 IA of the Income Tax Act in respect of profits derived during the financial year 2002-03 from eligible infrastructure water, sewerage and irrigation projects executed by your Company.

FACTORIES/PROJECTS :

During the year, the Company has established a factory at Chillamathur in Andhra Pradesh for manufacturing Prestressed Concrete pipes (PSC), Bar Wrapped Steel Cylinder (BWSC) pipes and M. S. pipes to execute the work of Ananthapur Project, Andhra Pradesh and become a source for other projects.

During the year, the Company has closed down its factory at Shimoga and also the project at Varahi, both in Karnataka State.

Thus the total number of factories / project establishments of the Company as at the end of period under report stand at 29.

DIRECTORS' REPORT

CORPORATE GOVERNANCE :

The Company has implemented the procedures and adopted practices in conformity with the code of Corporate Governance as provided in the amended Clause 49 of the Listing Agreement with the Stock Exchanges. The Management Discussion and Analysis Report and Corporate Governance Report, appearing elsewhere in this Annual Report forms part of the Directors' Report. A certificate from the Statutory Auditors of the Company certifying the compliance of conditions of Corporate Governance is also annexed thereto.

In compliance with one of the amended Clause 49 of the Listing Agreement, the Company has implemented a Code of Conduct for all its Non-Executive Directors and for Executive Directors and Senior Management Personnel of the Company, who have affirmed compliance thereto. The said Codes of Conduct have been posted on the website of the Company.

PUBLIC DEPOSITS AND LOANS/ADVANCES :

An aggregate amount of Rs.7,65,000/- representing 46 fixed deposits had matured but remained unpaid / unclaimed as at 31st March, 2009 pending instructions from the depositors concerned. Since then 13 fixed deposits aggregating Rs.1,95,000/- have been repaid / renewed.

The Company has no loans / advances and investments in its own shares by listed Companies, their subsidiaries, associates etc. as required to be disclosed in the annual accounts of the companies pursuant to Clause 32 of the Listing Agreement.

Further, in conformity with the aforesaid Clause, the cash flow statement for the year ended 31st March, 2009 is annexed hereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to foregoing matters, wherever applicable, is given by way of an Annexure and forms part of this report.

[a] Conservation of Energy :

Effective control measures/systems to conserve energy are already in force at Company's establishments. Consciousness of energy conservation is also cultivated among the employees to optimise the use of Electricity / Fuel etc.

[b] Technology absorption, Adaptation and Innovation :

The required information in the prescribed form under the Companies Act, 1956 in respect of technology absorption is given in the Annexure forming part of this report.

[c] Foreign Exchange Earnings and Outgo :

The required information in respect of foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the Financial Year ended 31st March, 2009.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and Article 152 of the Articles of Association of the Company, Mr. Ajit Gulabchand, Mr. N. Balakrishnan and Mr. Vijay Kumar Jatia Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby confirm :

1. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2009, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended on that date;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Annual Accounts for the financial year ended 31st March, 2009 have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES :

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956 the Report and Accounts are being sent to the Shareholders excluding the aforesaid information. Any Shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

AUDITORS :

M/s. K. S. Aiyar & Co., Chartered Accountants retire as auditors of the Company and have given their consent for re-appointment.

As required under Section 224 (1B) of the Companies Act, 1956, the Company has obtained a written certificate from M/s. K. S. Aiyar & Co. Statutory Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

You are requested to re-appoint the retiring Statutory Auditors of the Company for the financial year 2009-10.

BRANCH AUDITORS :

M/s. Brahmayya & Co., Chartered Accountants at Somajiguda, Hyderabad, (Andhra Pradesh) retire as Branch Auditors of the Company and have given their consent for re-appointment. You are requested to re-appoint M/s. Brahmayya & Co., Chartered Accountants as Branch Auditors u/s 228 of the Companies Act, 1956, 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 for the financial year 2009-10.

COST AUDITOR :

The application for the appointment of Mr. V. V. Deodhar, Cost Auditor, to do the Cost Audit in respect of one of the Company's products, viz. Steel Pipes for the financial year 2009-10 will be submitted to the Central Government, Ministry of Corporate Affairs, New Delhi for their approval.



DIRECTORS' REPORT

As required under the provision of Section 224 (1B) of the Companies Act, 1956, the Company has obtained a written certificate from the Cost Auditor proposed to be appointed to the effect that his appointment, if made, would be in conformity with the limits specified in the said section.

INDUSTRIAL RELATIONS :

The Company is having total strength of 1,482 employees as on 31st March, 2009 working at various locations such as Factories / Projects / Head Office and Research & Development Department (R & D Divn), Mumbai.

Industrial relations with the workmen at various units of the Company were by and large peaceful and cordial.

Registered Office:

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

Date : 28th May, 2009

ACKNOWLEDGEMENTS :

Your Directors record their gratitude to the Customers, Bankers, Government Departments, Vendors and Works Sub-contractors for their continued support and co-operation during the year.

Your Directors also wish to place on record their appreciation of the services rendered by the Employees of the Company.

Wishing you all good health, wealth and prosperity.

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

(A) RESEARCH AND DEVELOPMENT (R & D)

The Company has a separate Research and Development Division situated at Govandi in Mumbai, which is recognised by the Ministry of Science & Technology, Department of Scientific and Industrial Research, Government of India, New Delhi.

(1) Specific areas in which R & D carried out by the Company are the following :

- New Product Development
- Import Substitution
- Technology Up-gradation
- Evaluation of Alternate Raw-materials
- Designing and Improving manufacturing process and quality of products
- Improvement of Designs of Plant and Machinery

(2) Benefits derived as a result of the above R & D :

Research & Development provide valuable support to the business through innovation of new products and process, which are transferred to the factories / project works.

(3) Future Plan of Action :

The Company endeavors to continue research on areas set out in (1) above :

(4) Expenditure on R & D :

The total expenditure on Research & Development during the year was Rs.182.88 Lacs (0.28% of the turnover) as compared to Rs.153.31 Lacs (0.34% of the turnover) of previous year.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

A N D

2. Benefits derived as a result of the above efforts are as under :

- a) A Trough was developed to feed cement mortar mix in the pipe for lining of M.S. / BWSC pipes. The trials were continued in Company's Raipur factory for lining of 1700 mm dia and 1400 mm dia Mild Steel pipes and the results were satisfactory.
This development helped the Company in reducing feeding time of cement mortar in pipe which helps in improving the productivity. This similar arrangement of trough has been installed recently at Company's new plant at Chillamathur in Andhra Pradesh.
- b) Plastic sheets of 18 micron thick were used as a shrink wrap film for wrapping on cement mortar coating on the pipes immediately after coating operation is carried out. This helps to retain the moisture in cement mortar and to attain the required strength of cement mortar without doing water / steam curing. The trials were conducted in Company's Raipur factory for 1700 mm dia and 1400 mm dia M. S. pipes and the results were satisfactory and this practice is being continued. This type of curing of pipe is much beneficial where there is scarcity of water curing.
- c) R & D Division has installed a new plant at Chillamathur in Andhra Pradesh where PSC, BWSC and M.S. pipes can be manufactured. The BWSC plant has been installed to manufacture pipes of larger length up to 10.5 mtr. and the trials will be taken during the current financial year.
- d) A Hydraulic Testing Machine (Dummy type) had been put in to use to test M.S. pipes of various diameters and length without using testing plates at Company's Raipur plant. So far 2394 pipes of 1700 mm dia x 6 mtrs. length and 572 Nos. of 1400 mm dia x 6 mtrs. length M.S. pipes have been tested. The quantum of water required for filling the pipe in this machine is very less than conventional testing machine, thereby reduces time and increase the productivity.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished :

- | | | |
|----------------------------------------------------------------------------------------------------------------|---|-----|
| (a) Technology imported | } | NIL |
| (b) Year of Import | | |
| (c) Has technology been fully absorbed | | |
| (d) If not fully absorbed, areas which this has not taken place, reasons therefore and future plans of action. | | |

For and on behalf of the Board of Directors,

Rajas R. Doshi
Chairman & Managing Director

Date : 28th May, 2009



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY:

The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long term shareholders value and interest of all its stakeholders. Efficient conduct of its business through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the Company.

Good corporate governance has always been an integral part of the Company's business philosophy. The Company attaches significant importance to issues of Corporate Governance and has always focused on good corporate governance. Your Company has consistently made efforts in ensuring transparency, accountability and responsibility in dealing with its employees, stakeholders, customers and the community at large.

Your Company fundamentally believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements. Your Company has systems and procedures in place to ensure that it remains fully compliant with all mandated regulations. The stipulations mandated by Clause 49 on the mandatory requirements of the Listing Agreement have been fully complied.

I. BOARD OF DIRECTORS:

The Company has Executive Chairman and the number of Independent Directors are more than half of the total strength of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The management of the Company is entrusted in the hands of the Key Management Personnel of the Company and is headed by the Chairman & Managing Director who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long term objectives of organisation are achieved successfully.

Mr. Rajas R. Doshi, Chairman & Managing Director of the Company and Ms. Jyoti R. Doshi, wife of Mr. Rajas R. Doshi belong to the Company's promoter group.

Ms. Anima Kapadia, Non-Executive Director of the Company, is a partner of M/s Daphtary Ferreira & Divan, Solicitors & Advocates, one of the Solicitors & Advocates of the Company.

All other Directors are Non-Executive Independent Directors of the Company.

Apart from the above and apart from the reimbursement of expenses incurred in the discharge of their duties, the sitting fees that these Directors would be entitled to as fixed by the Board under the Companies Act, 1956 as Non-Executive Directors, the commission of an amount not exceeding Rs.10 Lacs per annum in aggregate for a period of 3 years commencing from the financial year 2006-07, the remuneration that one Director may receive for professional services as a Legal Advisor and the dividend on the shares owned by them, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates, its Holding Company which in their judgment would affect their independence.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them, the Company and its Promoters, which could have potential conflict of interest with the Company at large.

A. Composition of Board

The Company presently has eight Directors and out of which two belongs to Promoter Group and out of which one is the Chairman & Managing Director. There are five Independent Non-Executive Directors and professionals with expertise and experience in general corporate management, finance, insurance, law, banking and other allied fields and one Director is Non-independent Non-Executive Director.

The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the companies in which he is a Director.

CORPORATE GOVERNANCE REPORT

The Constitution of the Board as on 31st March, 2009 is as under :

Directors	Category	Total number of Committee Memberships of Public Companies as on 31 st March, 2009 +	Total number of Chairmanships of Committees of Public Companies as on 31 st March, 2009 +	Total number of Directorships of other Public Companies as on 31 st March, 2009 *
Executive				
Mr. Rajas R. Doshi Chairman & Managing Director	Promoter	4	1	3
Non-Executive				
Mr. Ajit Gulabchand	Independent	4	Nil	12
Ms. Jyoti R. Doshi	Promoter	Nil	Nil	1
Mr. Rajendra M. Gandhi	Independent	Nil	1	Nil
Mr. Rameshwar D. Sarda	Independent	1	Nil	1
Mr. N. Balakrishnan	Independent	2	Nil	1
Ms. Anima B. Kapadia	Non-Independent	1	1	2
Mr. Vijay Kumar Jatia	Independent	2	Nil	7

+ Committees considered are Audit Committee and Investors' Grievance Committee, including The Indian Hume Pipe Co. Ltd.

* Excludes Directorships in Private Companies, Foreign Companies, Section 25 Companies, Government Bodies and Directorships in The Indian Hume Pipe Co. Ltd.

B. Board Procedure

A detailed Agenda folder is sent to each Director in advance of Board and Committee meetings, to enable the Board to discharge its responsibilities effectively. The Managing Director briefs the Board at every meeting on the overall performance of the Company.

The following information is regularly provided to the Board as part of the agenda papers :

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of Audit Committee and other committees of the Board.
- The information on recruitment and remuneration of Senior Officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
- Any issue, which involves possible public or product liability, claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Transactions pertaining to purchase / disposal of fixed assets / properties of the Company.
- Major accounting provisions and write-offs and write back.
- Review of major legal issues.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, assets, which is not in the normal course of business.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliances.



CORPORATE GOVERNANCE REPORT

C. Number of Board Meetings, attendance record of the Directors at Meetings of the Board and at the last Annual General Meeting.

Four Board meetings were held during the period from 1st April, 2008 to 31st March, 2009 on the following dates :

- 28th May, 2008 - 24th October, 2008
- 30th July, 2008 - 29th January, 2009

The Eighty Second Annual General Meeting was held on 30th July, 2008.

The Attendance of the Directors at these meetings is as under:

Director	No. of Board Meeting Attended	Attendance At the AGM
Mr. Rajas R. Doshi	4	Yes
Mr. Ajit Gulabchand	1	No
Ms. Jyoti R. Doshi	4	Yes
Mr. Rajendra M. Gandhi	4	Yes
Mr. Rameshwar D. Sarda	3	Yes
Mr. N. Balakrishnan	4	Yes
Ms. Anima B. Kapadia	4	Yes
Mr. Vijay Kumar Jatia	4	Yes

The remuneration paid / payable to Non-Executive Directors for the year ended 31st March, 2009 is as under :

(Rupees)

Director	Board	Committee	Commission *	Total
Mr. Ajit Gulabchand	10,000	--	1,42,857	1,52,857
Ms. Jyoti R. Doshi	40,000	--	1,42,857	1,82,857
Mr. Rajendra M. Gandhi	40,000	40,000	1,42,857	2,22,857
Mr. Rameshwar D. Sarda	30,000	40,000	1,42,857	2,12,857
Mr. N. Balakrishnan	40,000	20,000	1,42,857	2,02,857
Ms. Anima B. Kapadia	40,000	20,000	1,42,857	2,02,857
Mr. Vijay Kumar Jatia	40,000	50,000	1,42,857	2,32,857
Total :	2,40,000	1,70,000	9,99,999	14,09,999

* Provision has been made in accounts for the year 2008-09.

B. Remuneration to the Managing Director for the year ended 31st March, 2009.

Remuneration payable to the Managing Director is fixed by the Remuneration Committee and thereafter approved by the Board and Shareholders at a General meeting.

Following is the remuneration paid/payable to the Managing Director for the year ended 31st March, 2009 :

(Rupees in Lacs)

Director	Salary, Perquisites and Allowances	Company's contribution to funds*	Commission*	Total	Contract Period
Mr. Rajas R. Doshi Chairman & Managing Director	65.87	10.33	100.18	176.38	5 years

* Provision has been made in accounts for the year 2008-09.

Note:

1. Service Contract in case of Chairman & Managing Director is for five years and Notice period applicable to Managing Director is six months.
2. The overall remuneration to the Managing Director is recommended by the Remuneration Committee.
3. Commission proposed is payable to the Chairman & Managing Director after the Audited Accounts are adopted by the Members of the Company at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE REPORT

III. COMMITTEES OF BOARD

A. Audit Committee

The Audit Committee was constituted by the Board of Directors at its meeting held on 25th October, 2001 and presently it comprises of Mr. Rajendra M. Gandhi, Mr. Rameshwar D. Sarda and Mr. Vijay Kumar Jatia as members and all being Independent Non-Executive Directors.

Mr. Rajendra M. Gandhi is the Chairman of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of this Committee are in line with Clause 49 of the Listing Agreement.

Besides having access to all the required information from the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to review the remuneration payable to the Statutory Auditors and to recommend a change in Auditors, if felt necessary. It is also empowered to review Financial Statements, Management Discussion & Analysis Report and material individual transactions with related parties not in normal course of business or which are not at an arm's length basis. Generally all items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

Four committee meetings were held during the year from 1st April, 2008 to 31st March, 2009 on the following dates:

- 28th May, 2008 - 24th October, 2008
- 30th July, 2008 - 29th January, 2009

The attendance of the Members at these meetings is as under:

Sr. No.	Members	Meetings Attended
1	Mr. Rajendra M. Gandhi	4
2	Mr. Rameshwar D. Sarda	4
3	Mr. Vijay Kumar Jatia	4

The meetings of the Audit Committee were also attended by the Chairman & Managing Director, Operating Executives, Company Secretary, Controller of Accounts & Finance, Chief Internal Auditor and the Statutory Auditor.

B. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee was constituted by the Board of Directors at its meeting held on 25th October, 2001 and presently it comprises of Ms. Anima Kapadia, Mr. Rajas R. Doshi, Mr. Ajit Gulabchand and Mr. N. Balakrishnan as members.

Mr. S. M. Mandke, Company Secretary is the Compliance Officer.

Ms. Anima B. Kapadia is the Chairperson of the Committee.

The Committee meets as and when required, to deal with matters relating to transfers/ transmissions of shares and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, etc.

During the year one Committee meeting was held on 24th October, 2008. The attendance at the meeting was as under:

Sr. No.	Members	Meeting Attended
1.	Ms. Anima B. Kapadia	Yes
2.	Mr. Rajas R. Doshi	Yes
3.	Mr. N. Balakrishnan	Yes
4.	Mr. Ajit Gulabchand	No

Share Transfers are approved twice in a month by the Chairman & Managing Director.

During the year, 18 letters / complaints were received from the shareholders, all of which were attended to/resolved to date.

As on 31st March, 2009, there were no pending share transfers pertaining to the year under review.

C. Remuneration Committee

The role of the Remuneration Committee is to review market practices and to decide on remuneration packages applicable to the Managing Director / Executive Director. During the course of its review, the Committee also decides on the Commission and/or other incentives payable, taking into account the individual's performance as well as that of the Company.

The Remuneration Committee was constituted on 25th October, 2001 and comprises of Mr. N. Balakrishnan, Mr. Vijay Kumar Jatia, Non-Executive Independent Directors and Ms. Anima Kapadia, Non-Executive Director.

Mr. N. Balakrishnan is the Chairman of the Committee.

During the year one Committee meeting was held on 28th May, 2008. The attendance at the meeting was as under:

Sr. No.	Members	Meeting Attended
1.	Mr. N. Balakrishnan	Yes
2.	Ms. Anima B. Kapadia	Yes
3.	Mr. Vijay Kumar Jatia	Yes



Remuneration Policy

While deciding on the remuneration for Directors, the Board and Remuneration Committee considers the performance of the Company, the current trends in the industry, the qualification of the appointee(s), their experience, past performance and other relevant factors. The Board / Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies.

IV. DISCLOSURES

A. Related Party Transactions :

During the financial year 2008-09, there were no materially significant transactions entered into between the Company and its promoters, directors or the management, relatives, etc. that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in note No.14 of Schedule "R" to Annual Accounts of the Annual Report.

B. Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

C. Risk Management Frame Work

The Company has laid down procedures to inform Board members about the Risk Assessment and mitigation procedures. These procedures shall be periodically reviewed and further improvement/s, if any, suggested by the Management shall be implemented.

D. Code of Conduct

The Board of Directors laid down two separate categories of Code of Conduct, one for the Executive Directors & Senior Management Personnel and the other for Non-Executive Directors. Copies of the two Codes of Conduct are available on the website of the Company: www.indianhumepipe.com. All the Board members and Senior Management Personnel have affirmed compliance with Code of Conduct. A declaration of this effect signed by Mr. Rajas R. Doshi, Chairman & Managing Director is annexed to this report.

E. Code for Prevention of Insider-Trading

In compliance with SEBI's regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for prevention of Insider Trading for its Directors and Designated Employees. The code lays down guidelines, which regulates Trading Window period, seeks disclosures of annual holdings and prohibits dealing in shares of the Company during the closure of Trading Window, besides compliance with other related matters.

F. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and the Controller of Accounts & Finance of the Company have issued a certificate to the Board of Directors, for the year ended 31st March, 2009.

V. SHAREHOLDER INFORMATION

(i) Annual General Meeting

The Eighty Third Annual General Meeting of the Company will be held on Monday, 27th July, 2009 at 4.00 p.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, Churchgate, Mumbai – 400 020 to transact such business as stated in the Notice of the Meeting.

(ii) Financial Calendar

The financial year covers the period 1st April to 31st March.

Reporting of Unaudited Financial Results with Limited Review for quarter ended :

June, 2009 - by end of July, 2009.

September, 2009 - by end of October, 2009.

December, 2009 - by end of January, 2010.

Audited financial results for the year ended 31st March, 2010 - by end of May, 2010.

AGM for the year ended 31st March, 2010 - by end of July, 2010.

Note : The above dates are indicative.

(iii) Book Closure

15th July, 2009 to 27th July, 2009 (both days inclusive).

(iv) Dividend Payment Date

On or after 1st August, 2009.

(v) Listing of Equity Shares on Stock Exchanges

1. Bombay Stock Exchange Limited.
2. National Stock Exchange of India Limited

The Company has paid the Listing Fees to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

CORPORATE GOVERNANCE REPORT

(vi) Stock Codes :

Bombay Stock Exchange Limited (BSE)	504741
National Stock Exchange of India Ltd. (NSE)	INDIANHUME
Demat International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares	INE 323C01022

(vii) Stock Market price data:

High/low prices during each month in last financial year on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited.

Month	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2008	670	500	667	487
May 2008	766	565	774	570
June 2008	699	528	710	529
July 2008	550	441	550	438
August 2008	668	531	668	545
September 2008	600	375	590	367
October 2008	425	267	418	267
November 2008	318	210	316	220
December 2008	330	219	325	216
January 2009	313	234	310	231
February 2009	287	227	288	231
March 2009	271	205	289	206

(viii) Stock Performance in comparison to BSE Sensex.

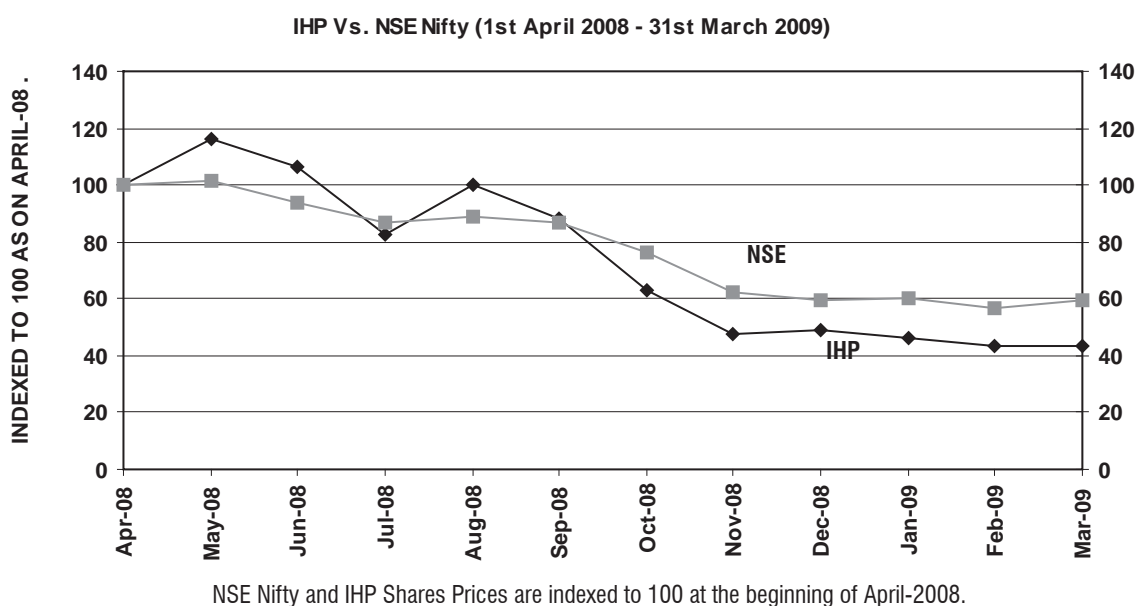
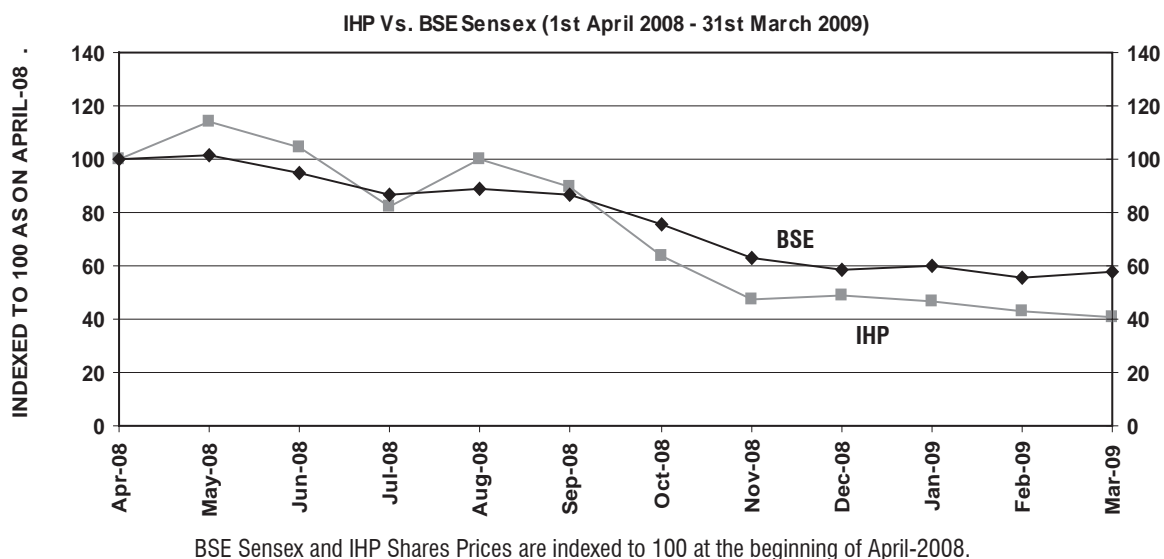
Month	BSE Sensex				IHP Price			
	Open	High	Low	Close	Open	High	Low	Close
April 2008	15772	17481	15298	17287	560	670	500	599
May 2008	17560	17736	16196	16416	605	766	565	702
June 2008	16591	16633	13406	13462	686	699	528	528
July 2008	13480	15130	12514	14356	512	550	441	550
August 2008	14064	15580	14002	14565	542	668	531	572
September 2008	14413	15107	12154	12860	553	600	375	401
October 2008	13007	13204	7697	9788	419	425	267	275
November 2008	10209	10945	8316	9093	289	318	210	224
December 2008	9163	10189	8467	9647	224	330	219	275
January 2009	9721	10470	8632	9424	277	313	234	250
February 2009	9340	9725	8619	8892	250	287	227	240
March 2009	8763	10127	8047	9708	231	271	205	260



CORPORATE GOVERNANCE REPORT

(ix) Performance in comparison to the BSE Sensex & NSE Nifty :

The following charts show the performance of price of Company's Shares as compared to the BSE Sensex & NSE Nifty during the year 2008-09.



(x) Pattern of shareholding as on 31st March, 2009

Sr. No.	Description	Number of Shares	% to paid-up capital
1	Promoters	33,87,477	69.92
2	Directors & Relatives	13,806	0.28
3	Insurance Companies / PFI	8,191	0.17
4	Banks	8,847	0.18
5	Non Resident Indian / Foreigner	14,266	0.29
6	Bodies Corporate	2,24,438	4.63
7	Public	11,87,692	24.52
	TOTAL	48,44,717	100.00

CORPORATE GOVERNANCE REPORT

(xi) Distribution of shareholding as on 31st March, 2009

Shares Held	No. of Shareholders	% to Shareholders	No. of Shares	% to Capital
Up to – 500	13,475	96.75	7,19,464	14.85
501 – 1000	254	1.82	1,90,201	3.93
1001 - 2000	122	0.88	1,78,542	3.69
2001 – 3000	29	0.21	72,102	1.49
3001 – 4000	22	0.16	76,456	1.58
4001 - 5000	2	0.01	9,349	0.19
5001 – 10000	11	0.08	79,370	1.64
10001 - and above	13	0.09	35,19,233	72.64
TOTAL	13928	100.00	48,44,717	100.00

(xii) Promoters Group

1.	IHP Finvest Ltd.
2.	Ratanchand Investment Pvt. Ltd.
3.	Mr. Rajas R. Doshi *
4.	Ms. Jyoti R. Doshi
5.	Mr. Aditya R. Doshi
6.	Mr. Mayur R. Doshi

* Includes shares held under HUF, as Executor(s) and under Trust.

(xiii) Dematerialization of Shares and Liquidity as on 31st March, 2009.

Physical Form : 72.86%

Dematerialised Form : 27.14%

Trading in equity shares of the Company is permitted in dematerialized form only as per the notification issued by Securities and Exchange Board of India (SEBI).

(xiv) Registrar and Transfer Agents-

M/s. Link Intime India Pvt. Ltd. (formerly M/s. Intime Spectrum Registry Ltd.)

Unit: The Indian Hume Pipe Co. Limited.

C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West), Mumbai-400 078.

Tel. No. 022-25946970-78

Fax No. 022-25946969

E-mail : rnt.helpdesk@linkintime.co.in

(xv) Share Transfer System

All the transfers received in physical form are processed by the Registrar and Share Transfer Agent of the Company and are approved by the Managing Director of the Company, who normally approves twice in a month or more depending on the volume of transfers and reports to the Board of Directors.

(xvi) Outstanding ADRs/GDRs/ Warrants or any Convertible Instruments, conversion date and likely impact on Equity.

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments.

(xvii) Plant Locations:

The total number factories / projects establishments of the Company are 29.

(xviii) Address for correspondence

Mr. S. M. Mandke - Company Secretary

Registered Office:-

Construction House, 2nd floor,

5, Walchand Hirachand Road,

Ballard Estate, Mumbai – 400 001

Tel. : 022-22618091 / 22618092 / 40748181

Fax : 022-22656863

E-mail : smmandke@indianhumpipe.com

VI. OTHER DISCLOSURES

1. Annual General Meetings held during the past three years :

Year	Date	Time
2005-06	31.07.2006	4.00 p.m.
2006-07	30-07-2007	4.00 p.m.
2007-08	30-07-2008	4.00 p.m.

All the meetings were held at Walchand Hirachand Hall, 4th floor, Indian Merchants Chamber Building, Churchgate, Mumbai – 400 020

No postal ballots were used / invited for voting at these meetings.



CORPORATE GOVERNANCE REPORT

The following Special Resolutions were passed in the previous 3 Annual General Meetings:

Financial Year	Date of meeting	Special Resolutions passed
2005-2006	31.07.2006	Payment of Commission to Non Executive Directors
2006-2007	30-07-2007	No special resolution was passed during the meeting
2007-2008	30-07-2008	Commencement of New Business by the Company

The Company has not passed any special resolution last year through postal ballot. The Company has not proposed any special resolution to be conducted through postal ballot.

2. Details of non-compliance etc.

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

3. Means of Communication

The quarterly, half yearly & yearly results are published in The Economic Times and Maharashtra Times which are national and local dailies. These are not sent individually to the Shareholders. The Company results and official news releases are displayed on the Company's website <http://www.indianhumepipe.com>.

4. Management Discussion & Analysis Report

The Management Discussion & Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

5. Compliance with mandatory & non-mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Further, the Company has adopted the following non-mandatory requirements of the Clause:

- The Company has set up the Remuneration Committee.
- The financial statements of the Company are not qualified by the Statutory Auditors
- Although the Company does not have any Whistle Blower Policy, any employee, if he / she desires, have free access to meet senior level management and report any matter of concern.

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of The Indian Hume Pipe Co. Ltd.

I, Rajas R. Doshi, Chairman & Managing Director of The Indian Hume Pipe Co. Ltd., declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct.

Rajas R. Doshi
Chairman & Managing Director

Place: Mumbai

Date : 28th May, 2009

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
The Indian Hume Pipe Co. Ltd.
Mumbai - 400001

We have examined the compliance of conditions of Corporate Governance by The Indian Hume Pipe Co. Ltd. for the financial year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For K. S. Aiyar & Co.
Chartered Accountants

Raghuvir M. Aiyar
Partner
M. No.38128

Place : Mumbai

Date : 28th May, 2009



AUDITORS REPORT

To the Members of

The Indian Hume Pipe Company Limited

We have audited the attached Balance Sheet of The Indian Hume Pipe Company Limited as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with in this report;

- (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
- (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet of the state of the affairs of the Company as at 31st March, 2009;
 - b) in case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow statement, of the cash flows for the year ended on that date.

Place : Mumbai

Date : 28th May 2009

For K. S. AIYAR & CO.
Chartered Accountants

RAGHUVIR M. AIYAR
Partner
M. No.38128

ANNEXURE TO AUDITORS REPORT

Re: The Indian Hume Pipe Company Limited

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Fixed assets have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.
- (c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company
- (ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b),(c) and (d) are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (f) & (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) According to the information and explanations given to us, there were no contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b) is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of sections 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Fringe Benefit Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it and there are no arrears outstanding as at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Fringe Benefit Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess which have not been deposited on account of any dispute other than those detailed below:

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending		
			Commissionerate/ Dy. Commissionerate (Rs. in Lacs)	Appellate Tribunal Authorities (Rs. in Lacs)	High Court (Rs. in Lacs)
Sales Tax / VAT	Tax /Penalty/ Interest	1980-81	-	-	1.09
		1982-83	-	-	2.57
		1986-87	-	-	1.78
		1989-90	-	-	75.15
		1990-91	-	-	66.84
		1991-92	-	-	15.09
		1992-93	-	-	90.82
		1993-94	-	2.02	88.83
		1994-95	0.50	17.87	69.66
		1995-96	-	158.44	-
		1996-97	3.04	-	77.95
		1997-98	-	21.80	65.35
		1998-99	-	-	59.30
		1999-00	-	-	5.81
		2000-01	-	-	85.30
		2001-02	-	-	197.15
		2002-03	-	16.47	171.36



ANNEXURE TO AUDITORS REPORT

Name of Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending		
			Commissionerate/ Dy. Commissionerate (Rs. in Lacs)	Appellate Tribunal Authorities (Rs. in Lacs)	High Court (Rs. in Lacs)
		2003-04	-	70.56	120.21
		2004-05	-	-	59.95
		2005-06	-	-	32.53
		2006-07	-	-	34.45
Central Excise Act, 1944	Duty, Interest and Penalty on Valuation/ Classification/Tariff	1978-79	1.06	-	-
		1981-82	0.37	-	-
		1982-83	0.11	-	-
		1985-86	0.06	-	-
		1990-91	-	1.73	-
		1991-92	0.57	0.80	-
		1992-93	0.15	-	-
		1993-94	-	0.35	-
		1994-95	7.01	3.10	-
		1995-96	0.59	1.61	-
		1996-97	0.53	-	-
		1997-98	0.71	-	-
		1998-99	0.80	-	-
		1999-00	0.51	-	-
		2000-01	1.25	-	-
		2004-05	11.89	8.64	-
		2005-06	-	9.23	-
		2006-07	-	65.47	211.53
		2007-08	4.13	496.43	-
		2008-09	176.08	963.98	-
Service Tax	Tax, Penalty, Interest	2008-09	-	1.80	-

- (x) The Company does not have any accumulated losses as per the Balance Sheet as at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company does not have any outstanding debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) There are no debentures issued by the Company during the year and therefore the requirement of creation of security or charge is not applicable.
- (xx) The Company has not raised any money during the year by public issue.
- (xxi) As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit except for one instance of misappropriation of Company's assets discovered on further investigation during the year, of Rs.42.73 lacs pertaining to earlier years, in addition to Rs.2.09 lacs in the same matter noticed in previous year, as detailed in note no. 3. The Company has initiated necessary legal action against the concerned employees / parties for recovery of the amount involved.

For K. S. AIYAR & CO.
Chartered Accountants

Raghuvir M. Aiyar
Partner
M. No.38128

Place: Mumbai
Date: 28th May 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

Schedule	Rs. Lacs	As at 31-03-2009 Rs. Lacs	As at 31-03-2008 Rs. Lacs
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	484.47	484.47
Reserves and Surplus	B	<u>16006.88</u>	<u>13957.78</u>
		16491.35	14442.25
Loan Funds			
Secured Loans	C	14265.05	6169.21
Unsecured Loans	D	<u>4599.68</u>	<u>7043.88</u>
		18864.73	13213.09
TOTAL		<u>35356.08</u>	<u>27655.34</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	9473.95	7224.78
Less: Depreciation		<u>3866.31</u>	<u>3425.38</u>
Net Block		5607.64	3799.40
Capital Work in Progress		<u>64.34</u>	<u>446.07</u>
Total Fixed Assets (Net)		5671.98	4245.47
Investments	F	252.12	247.42
Deferred Tax Assets (Net)		95.80	109.80
Current Assets, Loans and Advances			
Inventories	G	31787.39	24750.17
Sundry Debtors		2699.65	1232.13
Cash and Bank Balances		1976.74	2946.95
Other Current Assets		545.51	49.29
Loans and Advances		<u>8075.30</u>	<u>5798.28</u>
		45084.59	34776.82
Less: Current Liabilities and Provisions			
Current Liabilities	H	14989.39	11127.36
Provisions		<u>759.02</u>	<u>596.81</u>
		<u>15748.41</u>	11724.17
Net Current Assets		29336.18	23052.65
TOTAL		<u>35356.08</u>	<u>27655.34</u>

The annexed schedules 'A' to 'H' & 'R' form an integral part of the Balance Sheet.

In the opinion of the Board, the current assets, loans and advances, subject to the notes in schedule "R" are approximately of the values stated if realised in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities to our knowledge other than those stated in schedule "R".

As per our Report of even date
For **K. S. AIYAR & CO.**
Chartered Accountants

RAGHUVIR M. AIYAR
Partner
(M. No. 38128)

Mumbai : 28th May, 2009

RAJAS R. DOSHI

JYOTI R. DOSHI
RAJENDRA M. GANDHI
RAMESHWAR D. SARDA
N. BALAKRISHNAN
ANIMA B. KAPADIA
VIJAY KUMAR JATIA

S. M. MANDKE

Chairman & Managing Director

Directors

Company Secretary
Mumbai : 28th May, 2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Rs. Lacs	For the Year 31-03-2009 Rs. Lacs	For the Year 31-03-2008 Rs. Lacs
INCOME				
Income From Operations	I		66534.80	45180.13
Other Operating Income	J		300.53	174.99
Other Income	K		10.70	56.79
			66846.03	45411.91
EXPENDITURE				
Consumption of Raw Materials and Stores	L	20523.38		11953.27
Manufacturing and Other Expenses	M	1663.30		806.90
Construction Expenses	N	30466.01		22927.42
Employees' Remuneration and Welfare Expenses	O	2931.43		2296.41
Excise Duty and Taxes		3517.66		2204.03
Office and Site Establishment	P	2256.03		1717.12
Interest	Q	1655.56		843.91
Depreciation		491.30		405.95
			63504.67	43155.01
OPERATING PROFIT BEFORE TAX			3341.36	2256.90
Provision For Taxation				
Current Tax		1158.00		794.00
Deferred tax		14.00		(58.00)
Fringe Benefit Tax		37.00		32.00
			1209.00	768.00
PROFIT AFTER TAXATION BEFORE PRIOR YEARS' ADJUSTMENT			2132.36	1488.90
PRIOR YEARS' ADJUSTMENT				
Provision for Taxation of Earlier Years			-	(6.08)
Income Tax Refund of Earlier Years			398.53	18.94
NET PROFIT AFTER TAX			2530.89	1501.76
Add: Balance brought forward from last year			6352.80	5947.81
			8883.69	7449.57
Less : Appropriations				
Proposed Dividend		411.80		339.13
Tax on Proposed Dividend		69.99		57.64
General Reserve No.I		700.00		700.00
General Reserve No.II		400.00		-
			1581.79	1096.77
Balance Carried to Balance Sheet			7301.90	6352.80
Earnings Per Share (Rs.)				
(Face value of Rs. 10/- each)				
EPS- Basic and Diluted (before prior years' income)			44.01	30.73
EPS- Basic and Diluted (after prior years' income)			52.24	31.00

Significant Accounting Policies and Notes to and forming part of Accounts
The annexed schedules 'I' to 'R' form an integral part of the Profit and Loss Account.

As per our Report of even date
For K. S. AIYAR & CO.
Chartered Accountants

RAGHUVIR M. AIYAR
Partner
(M. No. 38128)

Mumbai : 28th May, 2009

RAJAS R. DOSHI

JYOTI R. DOSHI
RAJENDRA M. GANDHI
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N. BALAKRISHNAN
ANIMA B. KAPADIA
VIJAY KUMAR JATIA

S. M. MANDKE

Chairman & Managing Director

Company Secretary
Mumbai : 28th May, 2009

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. Lacs	As at 31-03-2009 Rs. Lacs		As at 31-03-2008 Rs. Lacs
SCHEDULE A				
SHARE CAPITAL				
Authorised Capital				
1,00,00,000 (Previous year- 1,00,00,000) Equity Shares of Rs.10/- each		<u>1000.00</u>		<u>1000.00</u>
Issued,Subscribed and Paid-up				
48,44,717 (Previous year- 48,44,717) Equity Shares of Rs. 10/- each Fully paid.		<u>484.47</u>		<u>484.47</u>
Share Capital includes				
(a) 38,69,457 (Previous year- 38,69,457) Equity Shares of Rs. 10/- each issued as fully paid Bonus Shares by Capitalisation of Reserves.				
(b) 3,75,000 (Previous year- 3,75,000) Equity Shares of Rs. 10/- each issued by part conversion of 13.5 % Debentures as per terms on 01-10-1993.				
(c) IHP Finvest Ltd holding Company and Ratanchand Investment Ltd., the ultimate holding Company respectively hold 31,93,416 and 87,232 (Previous year- 31,93,416 and 87,232) Equity Shares of Rs. 10/- each.				

SCHEDULE B

RESERVES & SURPLUS

a) General Reserve No.I	7604.98			6904.98
Add: Transfer from Profit & Loss Account	<u>700.00</u>			<u>700.00</u>
		8304.98		7604.98
b) General Reserve No.II	-			-
Add: Transfer from Profit & Loss Account (Ref Note No. 16)	<u>400.00</u>			<u>-</u>
		400.00		-
c) Balance of Profit & Loss Account		<u>7301.90</u>		<u>6352.80</u>
TOTAL		<u>16006.88</u>		<u>13957.78</u>



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. Lacs	As at 31-03-2009 Rs. Lacs	As at 31-03-2008 Rs. Lacs
SCHEDULE C			
SECURED LOANS			
A) Cash Credit/Working Capital Demand Loans From Banks			
i) State Bank of India	5912.94		132.76
ii) State Bank of Hyderabad	576.28		508.08
iii) Bank of Baroda	1801.19		28.37
iv) Corporation Bank	884.04		-
v) HDFC Bank Ltd	690.60		-
		9865.05	669.21
B) General Purpose Corporate Term Loan			
i) State Bank of India	2300.00		2200.00
ii) HDFC Bank Ltd	100.00		300.00
		2400.00	2500.00
C) Short Term Loan			
State Bank of India		2000.00	3000.00
TOTAL		14265.05	6169.21

- a) All the above cash credit accounts inclusive of working capital demand loans and short term loan are secured by hypothecation of stock in trade, work in progress and book debts current and future on pari passu basis with the consortium banks and by a second charge on the company's freehold land, building and plant & machinery on pari passu basis with the consortium Banks.
- b) General purpose Corporate Term Loan taken from State Bank of India is secured against a first charge on company's Land situated at Badarpur, New Delhi.
- c) General purpose Corporate Term Loan taken from HDFC Bank is secured against a first charge on company's Land situated at Yelhanka, Bangalore

SCHEDULE D

UNSECURED LOANS

(1) Fixed Deposits		833.87	829.19
(2) Short-term loans and advances from banks			
HDFC Bank Ltd	-		1000.00
State Bank of Hyderabad	-		1000.00
HSBC Bank	-		1000.00
Bank of Baroda	-		1000.00
Standard Chartered Bank	1000.00		-
Kotak Mahindra Bank Ltd	750.00		-
		1750.00	4000.00
(3) Other loans and advances			
Advances/Deposits from Contractees		2015.81	2214.69
TOTAL		4599.68	7043.88

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE E FIXED ASSETS

(Rs. in Lacs)

Sr No	ASSETS	GROSS BLOCK (at book value)				DEPRECIATION			NET BLOCK			
		As at 1/4/2008	Additions	Deductions / Adjustments	As at 31/3/2009	Upto 1/4/2008	Adjustment on Deductions	For the period	As at 31/3/2009	As at 31/3/2009	As at 31/3/2008	
1	Free hold Land	705.22	250.40	1.56	954.06	-	-	-	-	954.06	705.22	
2	Lease hold Land	2.05	-	-	2.05	0.77	-	0.02*	0.79	1.26	1.28	
3	Buildings	2633.03	1172.22	4.42	3800.83	867.08	2.54	156.32	1020.86	2779.97	1765.95	
4	Plant & Machinery & Equipment	3146.45	751.11	6.55	3891.01	2121.71	5.51	240.49	2356.70	1534.31	1024.74	
5	Office Equipments & Furniture	139.58	36.74	2.46	173.86	96.09	1.57	10.85	105.38	68.48	43.49	
6	Patents	3.45	-	-	3.45	3.44	-	-	3.44	0.01	0.01	
7	Vehicles	595.00	100.23	46.54	648.69	336.28	40.78	83.64	379.14	269.55	258.72	
Total		7224.78	2310.70	61.52	9473.95	3425.38	50.40	491.32	3866.31	5607.64	-	
Total of previous year		6940.06	593.60	308.88	7224.78	3215.19	195.79	405.97	3425.38	-	3799.40	
Capital Work in Progress											64.34	446.07
Total											5671.98	4245.47

* Represents lease rent Written Off in "Rent on assets " Account.



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE F

INVESTMENTS

Sr. No.	PARTICULARS	NOS.	FACE VALUE EACH	As at 31st March 2009 (Rs. In Lacs)			As at 31st March 2008 (Rs. In Lacs)		
				COST OR BOOK VALUE UNQUOTED	COST OR BOOK VALUE QUOTED	MARKET VALUE	COST OR BOOK VALUE UNQUOTED	COST OR BOOK VALUE QUOTED	MARKET VALUE
	LONG TERM INVESTMENTS								
	IN GOVERNMENT SECURITIES								
	G. P. Notes #			0.08	--	--	0.08	--	-
	Post Office Savings Certificates #			0.02	--	--	0.02	--	-
	IN SHARES, DEBENTURES AND BONDS								
	IN EQUITY / PREFERENCE SHARES (Fully Paid)								
	* Kapole Co-Operative Bank Ltd.	2000	10	0.20	--	--	0.20	--	--
	* Hindustan Construction Co. Ltd.	160000	1	--	9.92	62.72	--	9.92	211.20
	* Tata Consultancy Services Ltd.	2000	1	--	8.50	10.80	--	8.50	16.22
	* National Thermal Power Corporation Ltd.	16759	10	--	10.39	30.20	--	10.39	33.01
	* Ogale Glass Works Ltd.	5907	5	--	--	--	--	--	--
	* Deccan Agricultural Industries Ltd.								
	5% Preference Shares	63	100	--	--	--	--	--	--
	* Bharat Prakashan Ltd.	1000	20	--	--	--	--	--	--
	* Mysore State Film Industry Development Corporation Ltd.	100	100	--	--	--	--	--	--
	IN CAPITAL TAX SAVINGS BONDS								
	* National Highways Authority Of India (NHAI)	65	10000	--	--	--	6.50	--	--
	* Rural Electrification Corporation Ltd.	612	10000	61.19	--	--	64.70	--	--
	IN CO-OPERATIVE SOCIETIES								
	* Mohan Small Scale Industries Co-operative Society Limited								
	Equity Shares(Fully Paid)	1	1000	0.01	--	--	0.01	--	--
	* Adinath Co-operative Housing Society Limited								
	Equity Shares(Fully Paid)	20	50	0.01	--	--	0.01	--	--
	* Shushrusha Citizens' Co-operative Hospital Ltd.								
	Equity Shares (Fully Paid)	100	100	0.10	--	--	0.10	--	--
	* Walchand Co-operative Housing Society Ltd.								
	Equity Shares(Fully Paid)	10	50	0.01	--	--	0.01	--	--
	* Hind Co.Operative Housing Society Ltd.								
	Equity Shares (Fully Paid)	5	50	--	--	--	--	--	--
	* Kalptaru Residency Co.Operative Housing Society Ltd.								
	Equity Shares (Fully Paid)	5	50	0.01	--	--	0.01	--	--
	* Las Palmas Co.Operative Housing Society Ltd.								
	Equity Shares (Fully Paid)	10		--	--	--	--	--	--
	* Godrej Properties Ltd Tower 2 "AQUA"								
	Equity Shares (Fully Paid)	--		0.01	--	--	0.01	--	--
	IN EQUITY LINK MUTUAL FUNDS (At Cost)								
	UNITS OF MUTUAL FUNDS								
	* HDFC Equity Fund Growth	8107	10	--	10.00	8.82	--	10.00	13.44
	* Prudential ICICI Fusion Fund Growth	500000	10	--	50.00	33.00	--	50.00	63.90
	* Prudential ICICI Dynamic Fund Growth	17471	10	--	10.00	8.66	--	10.00	12.62
	* Standard Chartered Enterprise Equity Fund Growth								
			10	--	--	--	--	10.00	13.81
	* SBI One India Fund Growth	50000	10	--	5.00	2.73	--	5.00	4.95
	* JM Emerging Leaders Fund Growth	201149	10	--	21.00	6.81	--	21.00	24.69
	* JP Morgan India Equity Fund Growth	244499	10	--	25.00	14.64	--	25.00	24.79
	* SBI Capital Protection Oriented Fund Series I	50000	10	--	5.00	4.90	--	5.00	4.84
	* HDFC AMC Ltd A/C REP								
			10	--	35.66	35.66	--	10.96	10.96
	TOTAL ==>			61.65	190.47	218.94	71.65	175.77	434.43
				252.12			247.42		

Rs.0.10 lacs deposited against Contracts (Previous Year Rs. 0.10 lacs).

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. Lacs	As at 31-03-2009 Rs. Lacs	As at 31-03-2008 Rs. Lacs
SCHEDULE G			
CURRENT ASSETS, LOANS AND ADVANCES			
I) INVENTORIES			
(As Valued and certified by the Management)			
Raw Materials, Stores & Spares			
Raw Materials (including in transit)	1137.27		2441.07
Stores and Spares (including in Transit)	<u>556.17</u>		<u>361.14</u>
	1693.44		2802.21
Stock in Trade & Work in Progress			
Finished Goods	543.08		523.79
Goods in Process	10.85		19.25
Work in Progress	<u>14.85</u>		<u>19.62</u>
	568.78		562.66
Contract Work in Progress			
Work in Progress: Value of Work Done at Contract Rates			
i) At Laying Site	23056.61		16349.10
ii) At Factory	<u>2489.55</u>		<u>1419.47</u>
	25546.16		17768.57
Less: Progress Payments and Advances from contractees to the extent of value of work done	<u>807.39</u>		<u>69.90</u>
Net Work-in-progress	24738.77		17698.67
Works Retention			
Money retained by Contractees	<u>4786.40</u>		<u>3686.63</u>
	29525.17		21385.30
		31787.39	24750.17
II) SUNDRY DEBTORS : (UNSECURED)			
a) Considered good			
i) Over six months	1116.15		928.39
ii) Others	1583.50		303.74
b) Considered Doubtful			
Over six months	25.56		28.57
Less: Provision for doubtful debts	<u>25.56</u>		<u>28.57</u>
	-		-
		2699.65	1232.13
III) CASH AND BANK BALANCES			
Cash on Hand	19.36		19.74
Cheques on Hand	794.52		1585.08
Balances with Scheduled Banks			
- On Current Accounts	920.65		1186.05
- On Fixed Deposit	<u>242.21</u>		<u>156.08</u>
		1976.74	2946.95



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009

	Rs. Lacs	As at 31-03-2009 Rs. Lacs	As at 31-03-2008 Rs. Lacs
IV) OTHER CURRENT ASSETS			
Income Tax Refund Receivable	398.53		18.94
Interest Receivable	146.98		30.35
		545.51	49.29
V) LOANS AND ADVANCES			
Unsecured (considered good, unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received	4553.87		3274.58
Advance Payment of Taxes Net of Provisions	240.06		179.85
Deposits with Excise Department	66.00		82.16
Security and Other Deposits	3215.37		2261.69
		8075.30	5798.28
TOTAL		45084.59	34776.82

SCHEDULE H

CURRENT LIABILITIES AND PROVISIONS

A) Current Liabilities

Sundry Creditors

(a) Total outstanding dues of micro enterprises & small enterprises

-

-

(b) Total outstanding dues of creditors other than micro enterprises & small enterprises

12130.48

8954.30

Investor Education and Protection Fund

(appropriate amount shall be transferred to

"Investor Education and Protection Fund"

if and when due)

a) Unpaid dividends

23.04

19.62

b) Unpaid matured deposits

7.65

12.10

30.69

31.72

Other Liabilities

2800.32

2117.14

Interest accrued but not due on loans

27.41

23.71

Current Account : Director's (Max. Balance 0.49 lacs

0.49

0.49

previous year Rs. 0.49 Lacs.)

14989.39

11127.36

B) Provisions

i) Provision for Gratuity

41.14

63.98

ii) Provision for Leave Encashment

186.47

135.36

iii) Provision for Sick Leave

45.92

-

iv) Provision for Fringe Benefit Tax

135.50

98.50

Less: Advance Payment of

131.80

97.80

Fringe Benefit Tax

3.70

0.70

277.23

200.04

v) Proposed Dividend

411.80

339.13

Tax on Proposed Dividend

69.99

57.64

481.79

396.77

TOTAL

15748.41

11724.17

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rs. Lacs	2008-09 Rs. Lacs	2007-08 Rs. Lacs
SCHEDULE I			
Income From Operations			
Sales	7582.42		4849.37
Less: Excise Duty	<u>557.49</u>		<u>630.41</u>
		7024.93	4218.96
Stock Change			
Closing Stock of Finished Goods	568.78		562.66
Opening Stock of Finished Goods	<u>562.66</u>		<u>557.31</u>
		6.12	5.35
Work Bills(Gross)			
Add: Closing Stock of contract work-in-progress	51726.15		34376.96
Less: Opening Stock of contract work-in-progress	<u>25546.17</u>		<u>17768.57</u>
	<u>7777.60</u>		<u>6578.86</u>
		59503.75	40955.82
TOTAL		<u>66534.80</u>	<u>45180.13</u>

SCHEDULE J			
OTHER OPERATING INCOME			
Miscellaneous Income		102.08	63.88
Profit on Sale of Fixed Assets (Net)		3.63	6.06
Provisions no longer required		71.97	88.11
Interest on Tax Refund		122.85	16.94
(Tax deducted at source Rs.Nil Previous Year Rs.Nil)			
TOTAL		<u>300.53</u>	<u>174.99</u>

SCHEDULE K			
OTHER INCOME			
Dividend		2.18	10.90
Interest on Tax Saving Bonds		4.32	28.65
Profit on Sale of Investments (Net)		4.20	17.24
TOTAL		<u>10.70</u>	<u>56.79</u>



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rs. Lacs	2008-09 Rs. Lacs	2007-08 Rs. Lacs
SCHEDULE L			
CONSUMPTION OF RAW MATERIALS & STORES			
Raw Materials Consumed			
Opening Stock	2441.07		686.06
Add : Purchases	<u>19054.66</u>		<u>13183.73</u>
		21495.73	<u>13869.79</u>
Less:			
Sales	478.69		186.20
Closing Stock	1137.27		2441.07
Sale of Scrap	<u>62.11</u>		<u>44.54</u>
		<u>1678.07</u>	<u>2671.81</u>
		19817.66	11197.98
Stores and Spares Consumed		705.72	<u>755.29</u>
TOTAL		<u>20523.38</u>	<u>11953.27</u>

SCHEDULE M			
MANUFACTURING AND OTHER EXPENSES			
Fabrication Charges		1183.41	556.15
Lining and Outcoating Expenses		174.86	17.79
Power & Fuel		305.03	<u>232.96</u>
TOTAL		<u>1663.30</u>	<u>806.90</u>

SCHEDULE N			
CONSTRUCTION EXPENSES			
Subcontracting Charges		19139.89	15213.48
Consumption of Boughtout Items			
Opening Stock	68.99		11.85
Add: Purchases	<u>9740.12</u>		<u>6321.33</u>
		9809.11	<u>6333.18</u>
Less:			
Sales	9.67		-
Closing Stock	<u>202.75</u>		<u>68.99</u>
		<u>212.42</u>	<u>68.99</u>
		9596.69	6264.19
Transport		1729.43	1449.75
TOTAL		<u>30466.01</u>	<u>22927.42</u>

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Rs. Lacs	2008-09 Rs. Lacs	2007-08 Rs. Lacs
SCHEDULE O			
EMPLOYEES' REMUNERATION AND WELFARE EXPENSES			
a) Salary, Wages, Bonus, Commission & Gratuity Payment		2550.87	1970.36
b) Contribution to / Provision for Provident fund and Other Funds		289.91	248.58
c) Welfare Expenses		90.65	77.47
TOTAL		2931.43	2296.41

SCHEDULE P			
OFFICE AND SITE ESTABLISHMENT			
a) Printing and Stationery		59.01	48.38
b) Communication Expenses		88.00	72.20
c) Travelling and Conveyance		465.14	327.50
d) Rent	242.93		226.58
Less: Recovery	28.64		26.18
		214.29	200.40
e) Rates and Taxes		22.82	13.42
f) Insurance		174.76	184.04
g) Repairs			
Machinery	152.02		92.18
Buildings	25.19		13.42
Others	82.43		78.17
		259.64	183.77
h) Guarantee & Other Bank Charges		360.40	181.27
i) Legal and Professional Charges		160.29	137.83
j) Directors' Sitting Fees		4.10	4.70
k) Commission to Non Executive Directors		10.00	10.00
l) Auditors' Remuneration			
Audit fees	8.73		8.35
Other Capacity	4.71		5.01
Certification & Consultation	1.72		1.12
Tax Audit Fees	2.71		2.79
Out of Pocket Expenses	0.65		0.55
Cost Audit fees	1.05		0.55
Out of Pocket Expenses	0.06		0.10
		19.63	18.47
m) Freight		43.79	36.39
n) Bad Debts Written off		36.17	23.95
o) Donations		4.00	7.50
p) Miscellaneous Expenses		333.99	267.30
TOTAL		2256.03	1717.12



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-09 Rs. Lacs	2007-08 Rs. Lacs
SCHEDULE Q		
INTEREST		
On Term Loans	883.14	534.38
On Fixed Deposits	76.08	68.68
On Cash Credits & Others	789.15	305.03
	1748.37	908.09
Less : Interest Received (Gross) (Tax deducted at source Rs.11.26 lacs. Previous year Rs.7.55 lacs)	92.81	64.18
TOTAL	1655.56	843.91

NOTES TO THE ACCOUNT

SCHEDULE R

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF ACCOUNTS

I SIGNIFICANT ACCOUNTING POLICIES:

1 Method of Accounting

The Financial Statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting standards ("AS") issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Company Act, 1956.

2 Revenue Recognition

A. Work Bills

(I) Construction Contract Accounting & Contract-Work-in-Progress

- a. Sales/Work Bills (Gross) represent running Bills raised against Value of the Work done either to the extent certified and paid for by Contractees or on completed works as per (d) below:
- b. Advances against Work in Progress received from Contractees are presented as a reduction from the Contract Work in Progress.
- c. Retention Monies on uncompleted Contracts are presented as Contract-Work-in-Progress.
- d. Sundry Debtors include work bills and work retention receivable on completed contracts.

(II) Construction Contracts which commenced on or after 1st April 1999

- a. Revenue arising therefrom is recognised in proportion to the stage of completion of work at the end of the accounting period in accordance with Accounting Standard-7 (revised): Accounting for Construction Contracts.
- b. The Percentage of Completion is applied by calculating the proportion that contract revenue to date bears to the total contract value and adjustments are made to include only those costs that reflect work performed.
- c. Contract-Work-in-Progress includes inventories against contracts at Factory, Laying Sites and Civil Works and represents the value of the work done not certified or not paid for by Contractees and are valued at Contract Price or at Proportionate Contract Price based on the equivalent stage of completion as estimated by Management inclusive of relevant excise duty.
- d. Provision is made for future losses and estimated costs of post-works maintenance and warranties as per contractual terms.

B. Sales (Other than Construction Contracts)

- a. Sales of Goods - mainly consist of sale of manufactured pipes/sleepers and sale of Air Rifles, Air Pistols and Accessories and Parts and Technical Knowhow.
- b. Revenue from such sales is recognised on despatches of goods from the factory.
- c. Sales are inclusive of excise duty.

3 Claims

Expenditure incurred in respect of additional costs/delays on contracts are accounted for in the year in which these are incurred. Claims made in respect thereof are accounted as income in the year of acceptances by the clients or evidence of acceptance received from the clients.

4 Export/Deemed Export Benefits

Cash compensatory support or export/deemed export related benefits on the works executed/under execution are accounted on confirmation/acceptance of such claims by relevant authorities and approved for payment.

5 Accounting for Joint Venture Contracts

Contracts executed in Joint Venture, since there is no deployment of common resources and sharing of revenue are accounted on the basis similar to those adopted for contracts independently executed by the company.

6 Fixed Assets

- a. Fixed Assets are stated at cost including CENVAT wherever applicable, less depreciation and provision for impairment of losses, if any.
- b. Self constructed/manufactured assets are capitalised at cost including appropriate overheads.



NOTES TO THE ACCOUNT

7 Depreciation

Depreciation on the assets has been provided on Written Down Value Method on pro-rata basis as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

8 Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

9 Research and Development

Revenue expenses on research and development are charged to Profit & Loss Account and Capital Expenditure are included in fixed assets under relevant assets and depreciated on the same basis as other fixed assets.

10 Investments

Long term investments are stated at cost less provision for decline in the value, other than of temporary nature. Current investments are valued at cost or market value whichever is lower.

11 Inventories: Stock in Trade & Work-in-Progress

- a. The stock of raw materials, stores, bought-outs and fuel are valued at cost on FIFO basis or net realisable value whichever is lower.
- b. Certain items of Pipe Laying and Auxilliary Equipments are classified as Current Assets and 95% of their original cost is amortised equally over a period of five years.
- c. Finished Goods including bought-out items not allocated to any particular contracts are valued at lower of cost on absorption method (inclusive of relevant estimated excise duty) or market value.
- d. Work-in-Progress represents work done against Long Term Construction Contracts commenced before 1st April 1999 and is valued at lower of cost or market value in case of inventories as per Accounting Standard 2 - Valuation of Inventories: application of this policy has been discontinued as detailed in Item 2 (A) of Significant Accounting Policies.
- e. Goods-in-process are valued at contract rates or cost whichever is lower.
- f. Products of the National Rifle Division at Vatva are valued as follows:
 - i) The Stock of Raw Materials, Stores, Bought-outs and fuel are stated at cost on FIFO basis or net realisable value whichever is lower.
 - ii) Finished goods are valued at lower of cost or net realisable value and are inclusive of relevant estimated excise duty.

12 Employee Benefits

i) Voluntary Retirement Scheme Compensation

Compensation payable on Voluntary Retirement Scheme is amortized over a period of sixty months on pro-rata basis.

ii) Defined Contribution Plan

Company's Contribution paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are charged to Profit & Loss Account. There are no other obligations other than the contribution payable to the respective trusts.

iii) Defined Benefit Plan

- a. Gratuity and leave encashment : Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past Services are recognised on a Straight Line basis over the average period until the amended benefits becomes vested. Actuarial gain and losses are recognised immediately in the statement of Profit & Loss Account as Income or Expense. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.
- b. Provident Fund : The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the company make monthly contributions at a specified percentage of the covered employees salary (currently 12% of employees salary). The contributions as specified under law paid to provident fund and pension fund set up as irrecoverable trust by the Company or to respective Regional Provident Fund Commissioner and the Central

NOTES TO THE ACCOUNT

Provident Fund under the State Pension Scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on government specified minimum rates of return of provident fund and recognises such contributions and shortfall, if any, as an expense in the year incurred.

- iv) Other Benefits : Compensated absences for sick leave are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

13 Taxation

Income Tax expenses comprise of current tax, deferred tax charge/credit and Fringe Benefit Tax. Current Tax is recognised on the basis of taxable income determined in accordance with the provision of the Income Tax Act, 1961.

The deferred tax credit/charge is recognised on all timing differences subject to consideration of prudence, applying the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxon laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year and available case law to re-assess realisation/liabilities. Provision for FBT has been recognised on the basis of a harmonious, contextual interpretation of the provisions of the Income Tax Act, 1961.

14 Earning per Share

In determining operating and total earnings per share, the Company considers the operating net profit after tax and effect of any extra ordinary items (net of tax). The number of shares used in the computing basic earning per share is the weighted average number of shares outstanding during the period.

15 Management Estimates

The Financial Statements are prepared in conformity with generally accepted accounting principles and applicable accounting standards, which may require management to make estimates and assumptions. These may affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting periods.

16 Contingencies and Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

Contingent liabilities are disclosed after careful evaluation of the facts and legal aspects of matter involved.

II NOTES TO AND FORMING PART OF ACCOUNTS

	2008-09 Rs. Lacs	2007-08 Rs. Lacs
1 CONTINGENT LIABILITIES		
a) Guarantees given by the Banks	12687.73	9974.18
b) Claims against the company not acknowledged as debts	178.36	183.00
c) Additional Sales Tax demand excluding Rs.905.24 lacs (Previous year Rs.905.24 lacs) recoverable from customers for the years 1980-81 to 1996-97 under appeal.	706.56	575.74
d) Demands raised by Excise department excluding interest, if any, leviable thereon.	2244.40	1570.05
e) Additional Service Tax demand excluding those recoverable from customers for the Year 2004-05 under appeal.	1889.17	813.14
2 Commitments for Capital Expenditure are estimated at	NIL	152.43
3 In respect of fraud at two factories reported in the last annual report following is the position in current year.		
a) Out of Rs.18.47 lacs, Rs.12.32 lacs has been recovered and for balance amount legal action has been initiated.		



NOTES TO THE ACCOUNT

- b) The amount of Rs.2.09 lacs, on further detailed investigation covering period till April 1992, has gone up to Rs.44.82 lacs. Consequently, legal action including criminal case has been filed in the court and the concerned employee is in judicial custody since June, 2008. Further for recovery of amount, civil suits have also been filed in the court.

4 Managing Director's Remuneration

	2008-09 Rs. Lacs	2007-08 Rs. Lacs
i) Salary	38.25	26.25
ii) Contribution to Provident Fund	4.59	3.42
iii) Contribution to Superannuation Fund	5.74	3.94
iv) Perquisites & Allowances	27.62	19.76
v) Commission	100.18	65.26
Total	176.38	118.63

Statement of computation of net profit under Section 349 of Companies Act 1956 and the commission payable to the Managing Director for the year ended 31.03.2009.

Profit after exceptional items as per Profit & Loss A/c	2530.89	1501.76
Add: Provision for Taxation	1209.00	768.00
Depreciation	491.30	405.95
Provision for Taxation (Prior Year's adjustment)	-	6.08
Directors Fees	4.10	4.70
Commission to Non Executive Directors	10.00	10.00
Managing Director's Remuneration	176.38	118.63
	4421.67	2815.12
Less: Income Tax Refund of Earlier Years	398.53	18.94
	4023.14	2796.18
Less: Revenue Surplus	3.63	6.06
Capital Profit	-	-
Profit on sale of Investments	4.65	17.67
	4014.86	2772.45
Add: Revenue Profit on sale of assets as computed U/s 350 of Companies Act, 1956.	3.63	6.06
Loss on sale of Investment	0.41	0.05
Diminution in value of Investment	-	-
	4018.90	2778.56
Less: Depreciation U/s 350	491.30	405.95
Profit U/s 349 & 350	3527.60	2372.61
Remuneration Payable U/s 198 @5%	176.38	118.63
Remuneration already paid	76.20	53.37
Balance amount payable	100.18	65.26

NOTES TO THE ACCOUNT

5	Employee Benefits Defined Benefit Plans/Long Term compensated absences- As per Actuarial valuation as on 31-03-2009.	2008-09 Rs. in Lacs		2007-08 Rs. in Lacs	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	Expense recognised in the statement of Profit & Loss Account for the year ended 31.03.2009.				
1	Current Service Cost	31.97	61.83	30.32	48.43
2	Interest Cost	49.31	10.59	43.71	7.18
3	Employee Contributions	-	-	-	-
4	Expected return on plan assets	57.90	-	(47.28)	-
5	Actuarial (Gains)/Losses	48.57	(70.68)	40.87	(3.20)
6	Past Service Cost	-	-	-	-
7	Settlement Cost	-	-	-	-
8	Total Expenses	71.95	1.74	62.24	52.41
II	Net Assets / (Liability) recognised in the balance sheet as at 31.03.2009				
1	Present Value of Defined Benefit Obligation	709.35	(186.33)	616.43	135.35
2	Fair Value of Plan Assets	680.61	-	558.19	-
3	Funded Status [Surplus/(Deficit)]	(28.71)	(186.33)	(63.99)	(135.35)
4	Net Asset/(Liability)	(28.71)	(186.33)	(63.99)	(135.35)
III	Change in Obligation during the year ended 31.03.2009				
1	Present value of Defined Benefit Obligation at the beginning of year	616.42	135.35	548.10	108.68
2	Current Service Cost	31.97	116.95	30.32	48.43
3	Interest Cost	49.31	10.59	43.71	7.19
4	Settlement Cost	-	-	-	-
5	Past Service Cost	-	-	-	-
6	Employee Contributions	-	-	-	-
7	Actuarial (Gains) / Losses	48.57	(70.68)	40.87	(3.20)
8	Benefits Payment	36.94	(5.88)	(35.63)	(25.74)
9	Present value of Defined Benefit Obligation at the end of year	709.33	186.33	616.42	135.35
IV	Change in Assets during the year ended 31.03.2009				
1	Plan Assets at beginning of the year	558.19	-	453.39	-
2	Settlements	-	-	-	-
3	Expected return on Plan Assets	57.90	-	47.27	-
4	Contribution by Employers	101.46	5.88	93.16	25.74
5	Actual benefits paid	36.94	(5.88)	(35.63)	(25.74)
6	Actuarial Gains/(Losses)	-	-	-	-
7	Plan Assets at end of the year	680.61	-	558.19	-
8	Actual return on plan assets	-	-	-	-



NOTES TO THE ACCOUNT

	2008-09 Rs. in Lacs		2007-08 Rs. in Lacs	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
V Actuarial Assumptions				
1 Discount Rate	8.00%	7.00%	8.00%	8.00%
2 Expected Rate of Return on plan assets	9.00%	N.A.	9.30%	N.A.
3 Mortality Pre-retirement	LIC (1994-96)std	LIC (1994-96) ult	LIC (1994-96) std	LIC (1994-96)ult
4 Mortality Post-retirement	N.A.	N.A.	N.A.	N.A.
5 Turnover Rate	N.A.	0.50%	N.A.	0.50%
6 Medical Premium Inflation	N.A.	N.A.	N.A.	N.A.

6 Expenses on Research & Development during the year included under various heads, amounts to Rs.182.88 lacs (Previous year Rs.153.31 lacs).

7 Confirmations have not been received from some of the Debtors, Creditors and Depositors.

8 In the absence of responses to confirmations, the dues on account of Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes on account of principal amount together with interest are not known and accordingly no additional disclosure have been made.

The above information regarding Micro, Small & Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

9. Details of Deferred Tax Assets / Liabilities	2008-09	2007-08
	Rs. in Lacs	Rs. in Lacs
Deferred Tax Liabilities		
Difference in block of fixed assets	120.29	92.91
	<u>120.29</u>	<u>92.91</u>
Deferred Tax Assets		
Fiscal Disallowances and others	207.41	193.00
Provision for doubtful debts	8.68	9.71
	<u>216.09</u>	<u>202.71</u>
Closing Balance [(Assets) / Liability]	(95.80)	(109.80)

10. Additional information required under Schedule VI to the Companies Act, 1956 (as certified by the Management).

A) Licensed/Installed Capacities

		Licensed		Installed	
		2008-09	2007-08	2008-09	2007-08
1) Construction Division					
i) Concrete Pipes	MT	N A	N A	481210	441186
ii) Steel Pipes, Specials & Structures	MT	N.A	N A	185322	51160
2) Others					
i) Sleepers	MT	N A	N A	57660	57660
ii) Air Rifle Divn					
a) CO2 Cadet Rifles, Guns & Pistols	Nos	N A	N A	10000	10000
b) Air Rifles, Air Guns & Pistols	Nos	N A	N A	12000	12000

NOTES TO THE ACCOUNT

B) Production, Opening and Closing Stock.

		Production		Opening stock		Closing stock	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
1. Construction Division							
i)	Concrete Pipes MT	269028	212198	20431	23373	20998	20431
ii)	Steel Pipes, Specials & Structures MT	22829	10210	1100	1288	3226	1100
2. Others							
i)	Sleepers Nos	18824	51982	4222	5039	2502	4222
ii)	Air Rifles MT	6508	4404	379	790	211	379

C) Work Bills / Sales Turnover showing aggregate amount of sales effected by the Company giving the amount of sales in respect of each class of goods dealt with and against services rendered

		2008-09		2007-08	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
1. Construction Division					
i.	Construction contracts including water supply schemes, Pipes supply & laying Projects MT	289164	57577.62	225538	36395.82
ii.	Jobs	–	35.28	–	0.57
2. Others					
i.	Sleepers MT	20544	984.27	52799	2098.64
ii.	Air Rifles & Pistols Nos	6676	135.88	4815	88.44
3. Technical Knowhow Fees		–	–	–	–
4. Export of Goods		–	18.03	–	12.45
			58751.08		38595.92

D) Consumption

1. Construction Division

i)	Sand & Metal MT	203349	883.43	158420	633.18
ii)	Cement MT	62177	2501.70	49760	1987.40
iii)	Wire & Rods & H.T.Wire MT	9196	4478.75	7351	2601.06
iv)	Steel Plates & Sheets*				
a)	Company's own plates MT	23089	10977.10	10476	4117.06
b)	Plates supplied by Parties MT	–	–	4	–
	(*Valued at agreed rates)				
v)	Other Raw Materials & components	–	235.28	–	210.22

2. Sleepers

i)	Sand & Metal MT	14934	43.72	40484	115.59
ii)	Cement MT	3529	178.80	9853	409.50
iii)	Wire & Rods & HT Wire MT	632	266.79	1740	614.68
iv)	Other Raw Materials	–	199.98	–	479.03



NOTES TO THE ACCOUNT

	2008-09		2007-08		
	Qty.	Rs. in Lacs	Qty.	Rs. in Lacs	
3. Air Rifle Division					
i) Wood	CFT	1988	13.03	1402	8.12
ii) Seamless Steel Tubes	MTR	3333	6.03	2453	4.34
iii) Other Raw Materials		-	33.05	-	17.80
			<u>19817.66</u>		<u>11197.98</u>
E) Value of Import on CIF Basis					
Raw Materials			Nil		3.19
Stores & Spares			Nil		Nil
Capital Goods			Nil		Nil
F) Expenditure in foreign currencies					
Traveling and other expenses			2.88		9.43
G) Earnings in Foreign Currencies					
Export of goods calculated on FOB Basis			17.31		12.45
		Rs in lacs	%	Rs in lacs	%
H) Value of Raw materials consumed					
Indigenous		19817.66	100.00	11197.85	100.00
Imported		-	-	0.13	-
		<u>19817.66</u>	<u>100.00</u>	<u>11197.98</u>	<u>100.00</u>
I) Value of Stores & Spares Consumed					
Indigenous		705.68	99.99	755.25	99.99
Imported		0.04	0.01	0.04	0.01
		<u>705.72</u>	<u>100.00</u>	<u>755.29</u>	<u>100.00</u>

11 During the year ended 31-03-2009 the Company acquired and sold the following investments in Mutual Funds

MUTUAL FUNDS – SHORT TERM PLANS	FACE VALUE Rs.	NO OF UNITS	PURCHASE COST Rs.in lacs
Prudential ICICI Long Term Floating Rate Fund Dividend	10.00	1476595.95	150.00

12. Earnings per Share

		31-03-09	31-03-08
Number of shares		4844717	4844717
Profit after Tax before prior years' income	(Rs. in Lacs)	2132.36	1488.90
EPS - Basic & Diluted	(Rupees)	44.01	30.73
Profit after Tax after prior years' income	(Rs. in Lacs)	2530.89	1501.76
EPS - Basic & Diluted	(Rupees)	52.24	31.00

NOTES TO THE ACCOUNT

13 Segment Reporting Segment Information For the year ended 31.03.2009 Information about Primary Segment.

(Rs. in Lacs)

	Construction contracts including water supply schemes, pipes supply & laying projects		Others		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
REVENUE						
External Revenue	57630.93	36396.38	1120.15	2199.54	58751.08	38595.92
RESULTS						
Segment results	6597.00	4463.42	78.88	152.66	6675.88	4616.08
Unallocated Expenditure net Of un-allocated Income					(1816.14)	(1595.06)
Operating Profit					4859.74	3021.02
Interest Expenses					(1655.56)	(843.91)
Interest/dividend income net off loss						
On sale of investment					129.35	56.49
Profit on sale of Fixed Assets & Investments					7.83	23.30
Taxation for the year (including deferred tax/Provision for taxation of earlier years)					(1209.00)	(774.08)
Tax Refund for earlier Year					398.53	18.94
Profit after taxation but before exceptional item					2530.89	1501.76
Profit on sale of development rights / land					-	-
Net Profit					2530.89	1501.76
OTHER INFORMATION						
Segment Assets	47087.24	35209.30	687.23	798.72	47774.47	36008.02
Unallocated Corporate Assets					3330.03	3191.64
TOTAL ASSETS					51104.50	39199.66
Segment Liabilities	16240.20	12062.44	89.01	130.56	16329.21	12193.00
Unallocated Corporate Liabilities					18283.94	12564.42
TOTAL LIABILITIES					34613.15	24757.42
Capital Expenditure						
For Segment	1675.29	618.22	5.11	16.48	1680.40	634.70
For Corporate					248.57	162.10
Total capital Expenditure					1928.97	796.80
Depreciation						
For Segment	373.29	304.01	12.84	13.38	386.13	317.39
For Corporate					105.17	88.56
Total Depreciation					491.30	405.95
Non Cash Expenses other than depreciation					-	-

NOTES

1. BUSINESS SEGMENTS

The Company has considered "business segment" as the primary reporting segment for disclosure. The products included in each of the reported domestic business segments are as follows:

- Construction contracts including water supply schemes, pipes supply & laying projects
- Others include Railway Sleepers, Air Rifles and Technical Know How.

Segment revenue relating to each of the above domestic business segments includes income from services provided, where applicable. The above business segments have been identified considering:

- The nature of products & service
- The differing risks & returns

2 There are no inter segment sales.

3 Since the company does not have any significant business outside India there are no reportable geographic segments.



NOTES TO THE ACCOUNT

14. Related party disclosures, as required by AS 18

A. Names of Related Parties & Nature of Relationship

i)	Ratanchand Investment Pvt. Ltd.	:	Ultimate Holding Company
ii)	IHP Finvest Ltd.	:	Promoter Holding Company (Holding 65.92 % in Equity)
iii)	Mr. Rajas R. Doshi (Chairman & Managing Director)	:	Key Management Personnel
iv)	Mrs. Jyoti R. Doshi (Director) Mr. Aditya R. Doshi Mr. Mayur R. Doshi(Executive)	:	Relatives of Key Management Personnel.
v)	Mobile Systems India Pvt. Ltd. Raj Jyoti Trading & Investment Pvt. Ltd.	:	Companies in which control exists directly/ indirectly

B. Nature of Transactions

Following transactions were carried out during the year with the related parties in the ordinary course of business

(Rs. in Lacs)

Sr. No.	Transactions	Ultimate Holding Company	Promoter Holding Company	Key Management Personnel	Relatives of Key Management Personnel
1.	Dividend paid	6.11 (5.23)	223.54 (191.60)	2.97 (2.54)	4.51 (3.87)
2.	Rent and Other related Expenses	- (-)	93.32 (76.90)	- (-)	- (-)
3.	Sitting fees	- (-)	- (-)	- (-)	0.40 (0.50)
4.	Salary & Perquisites	- (-)	- (-)	- (-)	7.01 (2.30)
5.	Remuneration	- (-)	- (-)	176.38 (118.63)	- (-)
6.	Amount outstanding as on 31-03-09	- (-)	0.80 (0.45)	0.49 (0.49)	- (-)
(Last year's figures are shown in brackets)					

An amount of Rs 87472/- pertains to salary revision effective from 1st August 08, payable to Mr Mayur Doshi (General Manager) is subject to approval from Central Government and hence not included in the salary.(Refer Sr No 4)

15. The Company has entered into Joint Ventures for executing various works. The details are as under:

I. M/s Koya & Company Construction Pvt. Ltd. (JV), Hyderabad.

Augmentation Water Supply to Hyderabad Meteropolitan area from River Krishna through SLB (Madhava Reddy Canal) for PACKAGE-1, Manufacturing, supplying, lowering, testing and commissioning of 2200 mm diameter MS Pumping Main with inlining and out-coating with Cement Mortar from WTP at Kodandpur to the Clear Water Reservoir at Nasaralappally.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Koya & Company Construction Pvt. Ltd.	2475.09	28.00%	2475.09	28.00%
The Indian Hume Pipe Co. Ltd.	2121.52	24.00%	2121.52	24.00%
Bhoorathnom & Co.	2121.52	24.00%	2121.52	24.00%
Tahir Ali Industries & Projects (P) Ltd.	2121.52	24.00%	2121.52	24.00%
TOTAL	8839.65	100.00%	8839.65	100.00%

NOTES TO THE ACCOUNT

II. M/s Bhoorathnom Construction Company (P) Ltd.

Augmentation Water Supply to Hyderabad Meteropolitan area from River Krishna through SLB (Madhava Reddy Canal) for PACKAGE-II, Manufacturing, supplying, lowering, testing and commissioning of 2200 mm diameter MS Pumping Main with inlining and out-coating with Cement Mortar from Clear Water Reservoir at Godakondla along Nagarjunasagar - Hyderabad Road from Km 82/2 to Km 59/6.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Koya & Company Construction Pvt. Ltd.	1432.21	24.00%	1432.21	24.00%
The Indian Hume Pipe Co. Ltd.	1432.21	24.00%	1432.21	24.00%
Bhoorathnom Construction Co. Pvt. Ltd.	1670.91	28.00%	1670.91	28.00%
Tahir Ali Industries & Projects (P) Ltd.	1432.21	24.00%	1432.21	24.00%
TOTAL	5967.54	100.00%	5967.54	100.00%

The disclosures as required under AS-27 combined for Sr. No. I & II are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	547.56	547.56
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

III. M/s The Indian Hume Pipe Co. Ltd.

Combined water supply scheme to Bellampally and Mandamarry under HUDCO Phase-III consisting of (1) Construction of 9.00 m dia intake well cum pump house 1 No (2) 600mm dia D.I.D/F Connecting main (3) 6 Nos. of 3.00 M dia infiltration wells (4) 600mm dia RCC NP3 class pipes infiltration gallery 250m long (5) Providing 500mm dia PSC field test pressure of 10 KSC main for common sump at Municipal office (6) Providing 500mm dia PSC field test pressure of 12 KSC pumping main from common sump at Municipal office Mandamarry to Junction Point in Bellampally (Package I)

The co-venturers and their shares are as follows:

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	205.26	52.13%	205.26	52.13%
Pochampad Cement Pipe Construction Co.	188.50	47.87%	188.50	47.87%
TOTAL	393.76	100.00%	393.76	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	Nil	Nil
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil



NOTES TO THE ACCOUNT

IV. M/s The Indian Hume Pipe Co. Ltd. (JV with M/s Bhoorathnom Construction Co. (P) Ltd.

Manufacturing, supply, laying, jointing, testing and commissioning of 1200mm dia MS Pipeline from Hafeez Baba Nagar, Chandrayangutta to Jahanuma Reservoir Premises - Package I

The co-venturers and their shares are as follows:

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	426.35	55.00%	426.35	55.00%
Bhoorathnom Construction Co. Pvt. Ltd.	348.84	45.00%	348.84	45.00%
TOTAL	775.19	100.00%	775.19	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	192.38	192.38
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

V. M/s KCCPL-IHP-BRC-TAIPPL-KBL

Construction of Pump House, Hydro Mechanical Works and Electro Mechanical works of Guthpa Lift Irrigation Scheme, to Lift 540 cusecs of water from river Godavari at Ummeda (V), Nandipet (M) and to deliver into Nizam Sagar Project Main Canal and D/74 on EPC Turnkey System.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Koya & Company Construction Pvt. Ltd.	2707.60	18.57%	2707.60	18.57%
The Indian Hume Pipe Co. Ltd.	2707.60	18.57%	2707.60	18.57%
Bhoorathnom Construction Co. Pvt. Ltd.	2707.60	18.57%	2707.60	18.57%
Taher Ali Industries and Projects (P) Ltd.	2707.60	18.57%	2707.60	18.57%
Kirloskar Brothers Ltd.	3750.00	25.72%	3750.00	25.72%
TOTAL	14580.40	100.00%	14580.40	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-.a)	407.48	407.48
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

NOTES TO THE ACCOUNT

VI. M/s Nagarjuna Construction Co. Ltd.(JV) Hyderabad.

Design, Supply, Installation, Testing & Commissioning of pumping machinery, transformer sub-station, raising mains including construction of pump house and delivery cistern, etc. of Tadipudi Lift Irrigation Scheme 2nd Pump House at KM 26.25 of A G R B Near Tadipudi (V) of Tadipudi (M) West Godavari District.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Nagarjuna Construction Co. Ltd.	1232.42	40.00%	1232.42	40.00%
Mather & Platt Pumps Ltd.	308.10	10.00%	308.10	10.00%
SMC Infrastructure Pvt. Ltd.	770.27	25.00%	770.27	25.00%
The Indian Hume Pipe Co. Ltd.	770.27	25.00%	770.27	25.00%
TOTAL	3081.06	100.00%	3081.06	100.00%

The disclosures as required under AS-27 are as follows :

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	60.00	60.00
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

VII. M/S The Indian Hume Pipe Co. Ltd.

Construction and commissioning on turnkey basis including one year maintenance of Soganur Lift Irrigation M I Scheme on right bank of Tungabhadra river with 2 stage pumping including construction of storage tank near Chinnakohiliki (V) Yemmiganur (M) Kurnool District.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	1197.49	78.00%	1197.49	78.00%
Kirloskar Brothers Ltd.	307.05	20.00%	307.05	20.00%
Megha Engineering Enterprises	30.70	2.00%	30.70	2.00%
TOTAL	1535.24	100.00%	1535.24	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	150.00	150.00
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil



NOTES TO THE ACCOUNT

VIII. M/S The Indian Hume Pipe Co. Ltd.

Construction and commissioning on turnkey basis including one year maintenance of Pulchintha Lift Irrigation M I Scheme on right bank of Tungabhadra river with 2 stage pumping including construction of storage tank near Pulchintha (V) Nandavaram (M) Kurnool District.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	879.47	72.00%	879.47	72.00%
Kirloskar Brothers Ltd.	305.37	25.00%	305.37	25.00%
Megha Engineering Enterprises	36.65	3.00%	36.65	3.00%
TOTAL	1221.49	100.00%	1221.49	100.00%

The disclosures as required under AS-27 are as follows:
Contingent Liabilities for the Company in relation to its share

	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	300.00	300.00
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

IX. M/S TAIPL-IHP-KCCPL-BRCPL (JV)

Krishna Drinking Water Supply Project Phase II - Manufacturing, supplying, delivering, lowering, laying, jointing, testing and commissioning of 2375mm dia MS pumping main with cement mortar factory inlining and out-coating from CWR at Nasarlapally to CWR at Goddkondla (along Nagarjunasagar-Hyderabad road from 82/2 Km to 59/6 Km including manning and operation for a period of 24 months (Package II).

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Taher Ali Industries and Projects(P) Ltd.	3461.00	28.00%	3461.00	28.00%
The Indian Hume Pipe Co. Ltd.	2967.00	24.00%	2967.00	24.00%
Koya & Company Construction Pvt. Ltd.	2967.00	24.00%	2967.00	24.00%
Bhoorathnom Construction Pvt. Ltd.	2967.00	24.00%	2967.00	24.00%
TOTAL	12362.00	100.00%	12362.00	100.00%

The disclosures as required under AS-27 are as follows:
Contingent Liabilities for the Company in relation to its share

	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	16.27	16.27
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

NOTES TO THE ACCOUNT

X. M/S IHP-KCCPL-BRCPL-TAIPPL (JV)

Manufacturing, supplying, delivering, lowering, laying, jointing, testing and commissioning of 2200mm dia MS Gravity main with cement mortar factory inlining and out-coating from MBT at Gungal to TBR at Saheb Nagar (along Nagarjunasagar-Hyderabad road from Km 40/2 to 10/2 Km including manning and operation for a period of 24 months-Package IV).

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	4284.00	28.00%	4284.00	28.00%
Koya & Company Construction Pvt. Ltd.	3671.00	24.00%	3671.00	24.00%
Bhoorathnom Construction Pvt. Ltd.	3671.00	24.00%	3671.00	24.00%
Taher Ali Industries and Projects(P) Ltd.	3671.00	24.00%	3671.00	24.00%
TOTAL	15297.00	100.00%	15297.00	100.00%

The disclosures as required under AS-27 are as follows: Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	715.00	715.00
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

XI. M/S Shradha IHP Joint Ventures

Padmalaya Lift Irrigation Scheme: Designing, planning, construction of Dam at Padmalaya-II, Taluka Erandole, Dist. Jalgaon alongwith or appurtenant works & designing, planning and construction of intake well, connecting pipeline, jackwell pumphouse, sumpwell, manufacturing and installation of pumping machinery, necessary electrical accessories, electrical service station including rising main and commissioning it for shree Padmalaya Sinchan Yojana of Taluka Erandole, Dist. Jalgaon on Turnkey basis.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Shradha Construction & Power Generation Pvt. Ltd.	4840.80	80.00%	4840.80	80.00%
The Indian Hume Pipe Co. Ltd.	1210.20	20.00%	1210.20	20.00%
TOTAL	6051.00	100.00%	6051.00	100.00%

The disclosures as required under AS-27 are as follows: Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	Nil	Nil
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil



NOTES TO THE ACCOUNT

XII. M/S Shradha IHP Joint Ventures

Construction of Wangana Lift Irrigation Scheme on Dhom Left Bank Canal in KM No.53 Village Peth Kinhai, Taluka Koregaon, Dist. Satara under Krishna Project Stage II on Turnkey basis including Surveying, Designing, Construction of Pump house, rising mains, gravity mains, delivery chambers, distribution systems providing, erecting and commissioning pumping machinery including all civil, mechanical and electrical works and running and maintenance of scheme for Maharashtra Krishna Valley Development Corporation.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Shradha Construction & Power Generation Pvt. Ltd.	4170.00	70.00%	4170.00	70.00%
The Indian Hume Pipe Co Ltd	1787.14	30.00%	1787.14	30.00%
TOTAL	5957.14	100.00%	5957.14	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	Nil	Nil
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

XIII. M/S BRCPL IHP Vishwa Joint Ventures

Manufacturing, supply, lowering, laying, jointing, testing and commissioning of Duplicate South intercepting Sewer Main (Dup-Sis) with 2000 mm dia RCC NP4 class pipes using sulphate resistant, cement from Sarooranagar Nalah I & D site to proposed STP at Nagole along river Musi (Dup SIS Main-Package 3)

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Bhoorathnom Construction Pvt. Ltd.	804.18	34.00%	804.18	34.00%
The Indian Hume Pipe Co. Ltd.	780.54	33.00%	780.54	33.00%
Vishwa Infrastructures & Services Pvt. Ltd.	780.54	33.00%	780.54	33.00%
TOTAL	2365.26	100.00%	2365.26	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	20.00	20.00
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

NOTES TO THE ACCOUNT

XIV. M/S IHP BRCPL VISHWA (J V)

Manufacturing ,supply, lowering, laying, jointing, testing and commissioning of Duplicate South Intercepting Sewer Main (Dup-SIS) with 1800 mm dia RCC NP4 class pipes using sulphate resistant cement from Chaderghat bridge to Saroornagar Nalah I & D site along river Musi (Dup SIS Main –Package-2).

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	394.26	34.00%	394.26	34.00%
Bhoorathnom Construction Pvt. Ltd.	382.66	33.00%	382.66	33.00%
Vishwa Infrastructures & Services Pvt. Ltd.	382.66	33.00%	382.66	33.00%
TOTAL	1159.58	100.00%	1159.58	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	20.81	20.81
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

XV. M/S The Indian Hume Pipe Co. Ltd.

Manufacturing, supply, lowering, laying, jointing, testing and commissioning of 900 mm dia Mild Steel Pumping Main with inlining and out-coating with cement mortar from Town Service Reservoir to Kommadi Junction under Greater Vishakapatnam Water supply Improvement Scheme.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	1102.30	52.00%	1102.30	52.00%
Vishwa Infrastructures & Services Pvt. Ltd.	1017.51	48.00%	1017.51	48.00%
TOTAL	2119.81	100.00%	2119.81	100.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in II-1.a)	30.00	30.00
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil



NOTES TO THE ACCOUNT

XVI. M/S The Indian Hume Pipe Co. Ltd. JV with Ch. V V Subba Rao.

Augmentation of drinking water supply to Gajuwaka Area in Vishakhapatnam under submission on Urban Infrastructure and Governance under Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount Rs in lacs	%	Amount Rs.in lacs	%
The Indian Hume Pipe Co. Ltd.	3222.36	96.00%	Nil	Nil
Ch. V. V. Subba Rao	134.26	4.00%	Nil	Nil
TOTAL	3356.62	100.00%	Nil	Nil

	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
The disclosures as required under AS-27 are as follows: Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in A-a)	84.00	Nil
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

XVII. NCC-MEIL-IHP (JV).

Construction of Jack well, providing MS Raw Water conduit to earthen bund of Dharmasagar Reservoir by Tunnelling and Jacking, MS/NBWSC Raw Water Gravity Mains, DI/BWSC Pumping Mains and Railway Crossing arrangements, Additional off take arrangements on Kaktiya Canal, Raw Water Pump House and Clear Water Pump House alongwith Pump sets, Water Treatment Plants at three locations, Raw Water Sumps and Clear Water Sumps, RCC ELSR's and DI & HDPE distribution lines in Warangal Municipal Corporation.

The co-venturers and their shares are as follows :

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
Nagarjuna Construction Co. Ltd.	9270.06	50.00%	Nil	Nil
Megha Engineering & Infrastructures Ltd.	6489.04	35.00%	Nil	Nil
The Indian Hume Pipe Co. Ltd.	2781.02	15.00%	Nil	Nil
TOTAL	18540.12	100.00%	Nil	Nil

	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
The disclosures as required under AS-27 are as follows: Contingent Liabilities for the Company in relation to its share		
Bank Guarantees (included in A-a)	70.00	Nil
Share in the contingent liabilities of co-venturers	Nil	Nil
Capital commitments	Nil	Nil
Share in the Capital commitment of co-venturers	Nil	Nil

NOTES TO THE ACCOUNT

XVIII IHP-Vishwa-MCC (JV)

Rehabilitation, strengthening and improvement of Sewerage System in old city area on South of Musi in S11 catchment Zone II by laying mains, sub-mains, laterals and transfer of house service connections including manufacturing, supply of 150mm/200mm/300mm dia SWG pipes and 50mm/400mm/450mm/500mm/ 600mm/700mm/800mm/900mm/1100mm/1200mm/1400mm dia RCC NP3 pipes with SR cement including lowering, laying, jointing, testing and commissioning of sewers on turnkey basis under JNNURM Package II.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	5763.25	48.00%	0.00	0.00%
Vishwa Infrastructures & Services Pvt. Ltd.	5643.18	47.00%	0.00	0.00%
Modern Construction Co. Pvt. Ltd.	600.33	5.00%	0.00	0.00%
	12006.76	100.00%	0.00	0.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	150.08	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

XIX IHP-MEIL-KCCPL-BRCPL-TAIPPL (JV)

Manufacturing, supplying, lowering, laying, jointing, testing and commissioning of 2200mm dia MS Pumping Main with cement mortar factory inlining and out-coating and other appurtenances from proposed intake well near Old Madhavaram on foreshore of Somasila Reservoir to the proposed sump at Kanumalonipalli (On Kadappa-Rajampet Highway) including Manning & Operation for a period of 24 months (defect liability period) - Package I

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co. Ltd.	7486.84	28.00%	0.00	0.00%
Megha Engineering & Infrastructures Ltd.	7219.45	27.00%	0.00	0.00%
Koya & Construction Co. Pvt. Ltd.	4010.81	15.00%	0.00	0.00%
Bhoorathnom Construction Pvt. Ltd.	4010.81	15.00%	0.00	0.00%
Taher Ali Industries Projects (P) Ltd.	4010.80	15.00%	0.00	0.00%
	26738.71	100.00%	0.00	0.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	187.18	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil



NOTES TO THE ACCOUNT

XX IHP-FPL (JV)

Survey, Investigation, Designs, Drawings, Estimation, Construction and Commissioning on Turnkey basis including maintenance for 15 years (including 2 years liability period) of Pulikanuma L I Scheme on right bank of Tungabhadra river near Satanur (V), Kosigi (M) in Kurnool district with two stage pumping consisting of (a) construction of Approach Channel (b) Jackwell cum Pump house including manufacture, supply erection of pumps, motors, panels, soft starters, capacitors, EOT & HOT Cranes and all other electrical equipment (c) 33/11 KV Sub Stations (d) H T Power Lines (e) Pressure Mains (f) Cisterns (g) Reservoir /Storage tank of capacity 1.232 TMC including Head Regulator and Surplus arrangements (h) Approach and Link Canal to join the TBP LLC main canal @ KM 270.00 etc.

The co-venturers and their shares as follows:

Name of the Co-Venturers	Share in Work execution			
	31-03-09		31-03-08	
	Amount (Rs in lacs)	%	Amount (Rs.in lacs)	%
The Indian Hume Pipe Co.Ltd.	22626.53	86.00%	0.00	0.00%
Flowmore Pvt. Ltd.	3683.39	14.00%	0.00	0.00%
	26309.92	100.00%	0.00	0.00%

The disclosures as required under AS-27 are as follows:

Contingent Liabilities for the Company in relation to its share	31-03-09 (Rs. In lacs)	31-03-08 (Rs. In lacs)
Bank Guarantees (included in A-a)	657.75	Nil
Share in the contingent liabilities of co-ventures	Nil	Nil
Capital Commitments	Nil	Nil
Share in the Capital commitment of co-ventures	Nil	Nil

16 The Income Tax Appellate Tribunal (ITAT), Mumbai in November, 2008 has allowed the Company's claim U/s 80IA of the Income Tax Act, 1961 for the Financial Year 2002-03. This resulted in Income Tax Refund of Rs.398.53 lacs plus interest of Rs.122.85 lacs. However, since the IT Dept. has preferred an appeal to Bombay High Court against ITAT, Mumbai's similar order in another case; as a matter of abundant caution, the Company has created "General Reserve No.II" equivalent to Income Tax Refund. In the eventuality of IT Dept. filing an appeal against the ITAT Order and succeeding, this reserve will be utilised. The Income Tax Provisions for the financial years 2003-04 to 2008-09 are without considering benefits U/s 80IA of the Income tax Act, 1961.

17 Figures for Previous Year have been regrouped, wherever necessary.

Signatures to Schedule A to R

As per our Report of even date

For K. S. AIYAR & CO.

Chartered Accountants

RAGHUVIR M. AIYAR

Partner

(M. No. 38128)

RAJAS R. DOSHI

Chairman & Managing Director

JYOTI R. DOSHI
 RAJENDRA M. GANDHI
 RAMESHWAR D. SARDA
 N. BALAKRISHNAN
 ANIMA B. KAPADIA
 VIJAY KUMAR JATIA

Directors

S. M. MANDKE

Company Secretary

Mumbai : 28th May, 2009

Mumbai : 28th May, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 001255

State Code 11

Balance Sheet Date

31 03 09
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities

5110449

Total Assets

5110449

Sources of Funds

Paid-up Capital

48447

Reserves & Surplus

1600688

Secured Loans

1426505

Unsecured Loans

459968

Application of Funds

Net Fixed Assets

567198

Investments

25212

Net Current Assets

2933618

Misc. Expenditure

N I L

Accumulated Losses

N I L

Deferred Tax Assets (Net)

9580

IV. Performance of the Company

(Amount in Rs. Thousands)

Turnover

6653480

Other Income

31123

Total Expenditure

6350467

Profit/(Loss) Before Tax

334136

Profit/(Loss) After Tax

253089

Earning per share in Rs.

52.24

Dividend Rate%

85

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.

6810.99.90

(ITC Code)

Product Description

C O N C R E T E P I P E S
S L E E P E R S

Item Code No.

7305.90.10

(ITC Code)

Product Description

S T E E L P I P E S

Item Code No.

9304.00.00

(ITC Code)

Product Description

A I R R I F L E S



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

		2009 (Rs. in Lacs)	2008 (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax and Extraordinary Items		3341.36	2256.90
Adjustments for :			
Rent against fixed assets & Lease Rentals		0.02	0.02
Depreciation		491.30	405.95
Interest Expenses		1748.37	908.09
Interest Income		(219.98)	(109.77)
Dividend Income		(2.18)	(10.90)
Profit on sale of fixed assets/Investments		(7.83)	(23.30)
Operating profit before working capital changes	I	5351.06	3426.99
Adjustments for:			
Trade and Other Receivables		(4063.92)	(144.54)
Inventories		(7037.22)	(8865.32)
Trade and other Payables		3932.52	1780.66
Total	II	(7168.62)	(7229.20)
Cash Generated from Operations	(I+II)	(1817.56)	(3802.21)
Direct Taxes Paid		(900.06)	(1032.25)
Net Cash from Operating Activities	[A]	(2717.62)	(4834.46)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(1928.96)	(796.80)
Sale of Fixed Assets		14.75	119.16
Sale of Investment		24.20	1996.89
Purchase of Investments		(24.70)	(40.96)
Interest Received		92.09	343.57
Dividend Received		2.18	10.90
Net Cash flow from Investing Activities	[B]	(1820.44)	1632.76
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		9200.52	7241.14
Repayment of Borrowings		(3548.87)	(2067.91)
Dividends Paid		(339.13)	(290.68)
Interest Paid		(1744.67)	(907.73)
Net Cash used in Financing Activities	[C]	3567.85	3974.82
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		(970.21)	773.12
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR		2946.95	2173.83
CASH AND CASH EQUIVALENTS AS AT END OF YEAR		1976.74	2946.95
		(970.21)	773.12

As per our Report of even date

For K. S. AIYAR & CO.

Chartered Accountants

RAGHUVIR M. AIYAR

Partner

(M. No. 38128)

RAJAS R. DOSHI

JYOTI R. DOSHI
RAJENDRA M. GANDHI
RAMESHWAR D. SARDA
N. BALAKRISHNAN
ANIMA B. KAPADIA
VIJAY KUMAR JATIA

Chairman & Managing Director

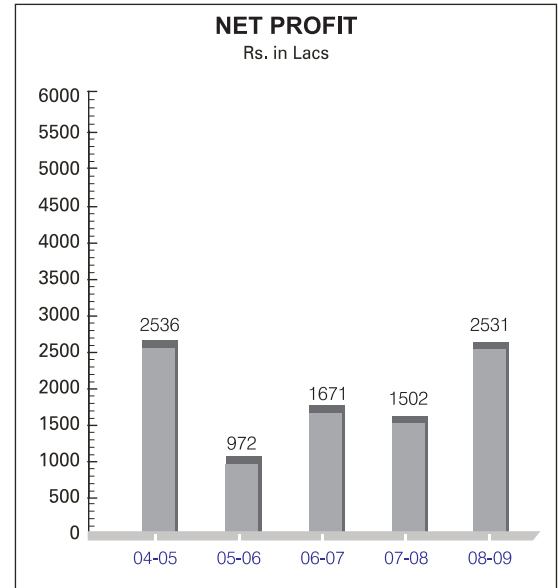
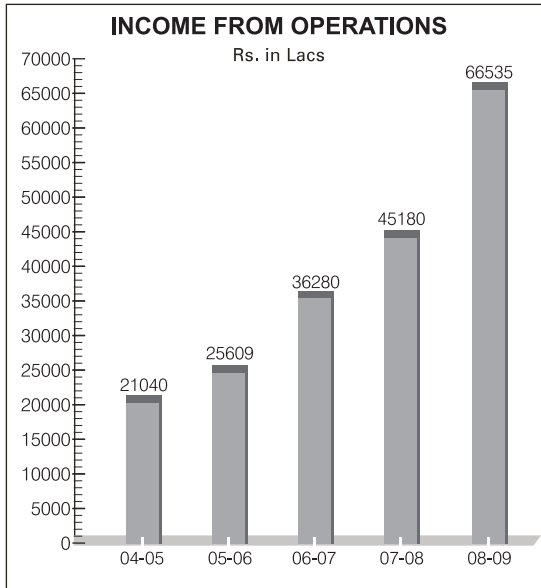
Directors

S. M. MANDKE

Company Secretary

Mumbai : 28th May, 2009

Mumbai : 28th May, 2009



DISTRIBUTION OF INCOME, EXPENDITURE & PROFIT

Rs. in Lacs

