



# The Indian Hume Pipe Co. Ltd.

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HP/SEC/645

June 4, 2012

BSE Ltd.  
Corporate Relationship  
Department  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P.J.Towers  
Dalal Street, Fort  
Mumbai – 400 001.

National Stock Exchange  
of India Ltd.,  
Exchange Plaza, 5<sup>th</sup> floor  
Plot No.C/1, G Block  
Bandra Kurla Complex  
Bandra (E)  
Mumbai – 400 051.

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cmllist@nse.co.in

Sub: *Demand arising out of re-assessment U/s 143(3) read with  
Sec.147 of the Income Tax Act, 1961 for the Assessment  
Year(A.Y.) 2004 – 05 [Financial Year (F.Y.) 2003-04]*

Re: *Clause No.36 of the Listing Agreement*

Dear Sir,

The assessment for the A.Y. 2004-05 of the Company was re-opened on 29<sup>th</sup> March, 2011 by the Income Tax Department on the ground that the company had claimed deduction under Section 54EC of the Income Tax Act, 1961 which was not allowable.

The company had filed a writ petition in the Bombay High Court on 13<sup>th</sup> June, 2011 for quashing the notice issued U/s 148 of the Income Tax Act. The writ petition was dismissed on 18<sup>th</sup> Nov. 2011 on the grounds that full information was not given by the company during the assessment and hence the Income Tax department has a right to re-open the case for re-assessment.

The company has filed SLP in the Supreme Court of India on 19<sup>th</sup> Jan. 2012 against the order of Bombay High Court and it is pending for admission.

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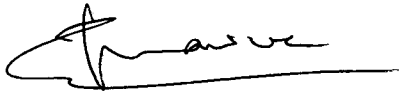
During the year 2003-04, the company had sold its land at Wadala, Mumbai. It had made long term capital gain and to save tax on long term capital gain, the company had made investment prior to transfer of land based on CBDT Circular No.359 dtd. 10<sup>th</sup> May, 1983, in the Capital Gains Tax Savings Bonds specified under Section 54EC of the Income Tax Act, 1961. The Income Tax Department is of the view that the said deduction is not in accordance with the law and therefore not allowable. Hence, they have made re-assessment and disallowed the exemption claimed for long term capital gains of ₹18,42,17,738/- vide their order dtd. 29<sup>th</sup> May, 2012 received by the Company on 31<sup>st</sup> May, 2012 after office hours.

The disallowance of claim by the Income Tax Department is debatable and involves legal issues and therefore the Company is contesting the above referred disallowance by preferring an appeal before the Commissioner of Income Tax (Appeal) in due course of time.

We will keep the Exchange informed about further material developments in this regard.

Thanking you,

Yours faithfully,  
For THE INDIAN HUME PIPE CO. LTD.



S.M.MANDKE  
COMPANY SECRETARY