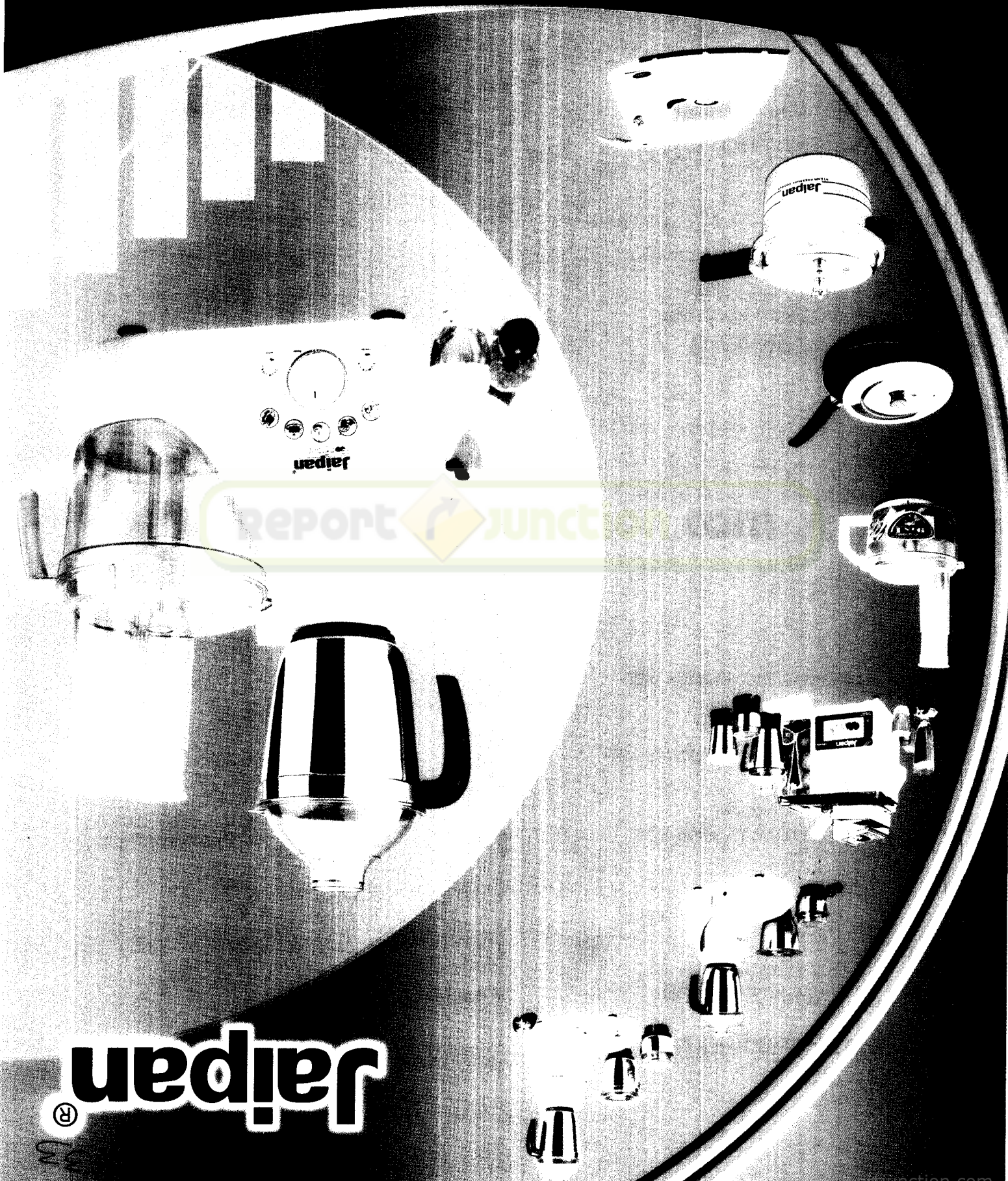


# Jaipan Industries Limited

38th Annual Report 2003-2004



**Jaipan®**

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## BOARD OF DIRECTORS

**MR. J. N. AGARWAL**

*Chairman & Managing Director*

**MR. ATIN J. AGARWAL**

*Director*

**MR. SHIRISH GOTECHA**

*Director*

**MR. ARJUN SINGH MEHROTRA**

*Director*

**MR. ASHWINI O. SHARMA**

*Director*

## AUDITORS

**ASHOK K. LOHIYA & ASSOCIATES**

*Chartered Accountants*

## BANKERS

**BANK OF BARODA**

Goregaon (E) Br., Mumbai

## SHARE TRANSFER AGENTS

**Intime Spectrum Registry Limited**

C-13, Pannalal Silk Mills Compound,  
1<sup>st</sup> Floor, L.B.S. Marg,  
Bhandup (W),  
Mumbai - 400 078.

## REGISTERED OFFICE

17, Cama Industrial Estate,  
Walbhatt Road,  
Goregaon (E),  
Mumbai - 400 063.



## Jaipan Industries Limited

### NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 38th ANNUAL GENERAL MEETING OF THE MEMBERS OF JAIPAN INDUSTRIES LIMITED WILL BE HELD ON 28<sup>th</sup> SEPTEMBER, 2004, AT 2.00 P.M. AT 17, CAMA INDUSTRIAL ESTATE, WALBHATT ROAD, GOREGAON (EAST), MUMBAI - 400 063 TO TRANSACT THE FOLLOWING BUSINESS :**

#### ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2004, Profit and Loss Account for the year ended 31<sup>st</sup> March, 2004 and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Atin J. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint auditors M/s. Ashok K. Lohiya & Associates, Chartered Accounts to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

By Order of the Board of Directors  
For **JAIPAN INDUSTRIES LIMITED**

**J. N. AGARWAL**  
(Chairman & Managing Director)

Place : Mumbai  
Dated : 3<sup>rd</sup> September, 2004.

#### Registered Office :

17, Cama Industrial Estate,  
Walbhath Road,  
Goregaon (East),  
Mumbai - 400 063.

#### NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A proxy form duly completed and stamped, must reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

- 2) The Register of Members and Share transfer Books of the Company, will remain closed from 20<sup>th</sup> September, 2004 to 28<sup>th</sup> September, 2004 (both days inclusive).
- 3) Members / Proxies should bring the attendance slip sent herewith duly, filled in for attending the meeting. You are requested to bring the copy of Annual Report sent to you.

- 4) Shareholders holding shares in identical order of names in more than one folio are requested to write to the Company's share department enclosing their share certificate, to enable the Company to consolidate holding in one folio.
- 5) Members desiring any information on the accounts are requested to write to the Company, which should reach the Company at least a week before the meeting so as to enable the Management to keep the information ready replies will be provided at the meeting.
- 6) The members are requested to immediately notify in their own interest the change in their address to the Company's Registrars & Transfer Agents.

M/s. Intime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound,  
1<sup>st</sup> Floor, Bhandup (West),  
Mumbai - 400 078.

- 7) INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :

As required under the Listing Agreement, the particulars of the Director who is Proposed to be re-appointed is furnished below :

#### i) Item No. 2 of the Notice :

Name	: Mr. Atin J. Agarwal.
Age	: 27 years
Qualification	: B. Com.
Expertise	: Business Administration
Date of appointment	: 1st September, 1999.

Mr. Atin J. Agarwal is not holding any Directorship in any other Company. He is a chairman of Audit Committee and member of the Remuneration Committee of the Company.

By Order of the Board of Directors  
For **JAIPAN INDUSTRIES LIMITED**

**J. N. AGARWAL**  
(Chairman & Managing Director)

Place : Mumbai  
Dated : 3<sup>rd</sup> September, 2004.

#### Registered Office :

17, Cama Industrial Estate,  
Walbhath Road,  
Goregaon (East),  
Mumbai - 400 063.

## Annual Report 2003 - 2004

### DIRECTORS' REPORT

To,  
The Members of  
**JAIPAN INDUSTRIES LIMITED**

Your Directors have pleasure in presenting the 38<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2004.

#### 1. FINANCIAL RESULTS :

	<u>31-03-2004</u>	<u>31-03-2003</u>
	(Rs. In '000')	
Sales & Other Income	<b>106344</b>	93384
Net Profit for the year	<b>1802</b>	1401
Less : Provision for Tax	<b>250</b>	250
Less : Short Provision for Tax	<b>292</b>	—
Add : Credit balance of earlier year	<b>22929</b>	21778
Total	<b>24189</b>	22929
Less : Bonus issued	—	—
Profit carried to Balance Sheet	<b>24189</b>	22929

#### 2. DIVIDEND

Your Board of Directors does not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2004.

#### 3. REVIEW OF OPERATIONS

Your Company has added new models of Mixer Grinders, Oven-Toaster-Griller, Sandwich Toasters, Geysers, Non-Stick Products and new model of Washing Machine.

#### 4. FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

#### 5. DEPOSITORY SYSTEM

The Company has entered into an agreement with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) to Enable Shareholders to hold shares in dematerialized form. The Company also offers Simultaneous Dematerialization of physical shares lodged for transfer.

#### 6. AUDITORS

M/s. Ashok K. Lohiya & Associates, Chartered Accountant, the Auditor of the Company holds their office until the conclusion of the ensuing Annual General

Meeting of the Company and your Directors recommended their re-appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

#### 7. DIRECTORS

Mr. Atin J. Agarwal, Director of the Company retires by rotation, and being eligible, offers himself for re-appointment.

#### 8. DIRECTORS RESPONSIBILITY STATEMENT

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

- that in preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- that the directors had selected such accounting policies and applied consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2004 and the profit of the Company for the year under review;
- that proper and sufficient care has been taken 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;
- that the annual accounts for the year ended 31<sup>st</sup> March, 2004 have been prepared on a 'going concern basis'.

#### 9. PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not given as there are no employees employed during the year or part thereof as required under Section 217 (2A).

#### 10. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the annexure and forms part of this part.

## Jaipan Industries Limited

### 11. CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance of requirements of Corporate Governance as per Listing Agreement with Stock Exchange. A separate report on Corporate Governance is given in Annexure "A".

### 12. DISCLOSURE UNDER SECTION 274(1)(g)

None of the Directors of the Company have been disqualified under Section 274(1)(g) of the Companies Act, 1956.

### 13. ACKNOWLEDGEMENT

The Directors sincerely appreciate the enthusiasm and hard work displayed by all employees during the year. Your Directors also acknowledge their appreciation of

the continued assistance and support given by the esteemed customers, suppliers, bankers and various departments of central & state governments.

By Order of the Board of Directors  
For **JAIPAN INDUSTRIES LIMITED**

**J. N. AGARWAL**  
(Chairman & Managing Director)

Place : Mumbai  
Dated : 3<sup>rd</sup> September, 2004.

**Registered Office :**  
17, Cama Industrial Estate,  
Walbhatt Road,  
Goregaon (East),  
Mumbai - 400 063.

## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS REQUIRED UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956, FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2004.

#### I. CONSERVATION OF ENERGY

The Company has been strictly observing and monitoring the power consumption and had been taken adequate measure for saving of energy.

##### A. Power and Fuel Consumption

<u>Particulars</u>	<u>2003-04</u>	<u>2002-03</u>
Units Purchase (KWH in Lakhs)	2.05	2.51
Total Amount (Rs. in Lakhs)	11.31	13.83
Average Rate per unit (Rs./Unit)	5.50	5.50

##### B. Consumption per unit of production

<u>Particulars</u>	<u>2003-04</u>	<u>2002-03</u>
	Per Unit	Per Unit
Electricity (KWH)	0.58	1.35

#### II. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

##### A. Research and Development [R & D]

R & D on a continued basis is being carried out to improve the existing products and to develop new ranges / derivatives and accordingly satisfying the customers needs.

#### B. Technology absorption

The Company has not imported or brought any technology during the period under review.

#### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

<u>Particulars</u>	<u>2003-04</u>	<u>2002-03</u>
	In Lakhs	In Lakhs
The Company had earned Foreign Exchange as under on (C & F Basis):		
1) On its Direct Exports	416.98	222.95
2) On its Exports as Supporting Manufacturer	Nil	Nil
The Foreign Exchange outgoing is as under		
1) Travelling	4.78	Nil
2) Bank Charges	1.82	0.37
3) Imports of Raw Materials	9.74	3.12

For and on behalf of the Board of Directors

**J. N. AGARWAL**  
(Chairman & Managing Director)

Place : Mumbai  
Dated : 3<sup>rd</sup> September, 2004

## Annual Report 2003 - 2004

### CORPORATE GOVERNANCE

#### PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors and the Management of JAIPAN INDUSTRIES LIMITED commit themselves to:

- Strive towards enhancement of shareholder value in the medium and long term through sound business decisions, prudent financial management and high standard of ethics throughout the organization.
- Ensure transparency and professionalism in all decisions and transactions of the Company.
- Achieve excellence in Corporate Governance by
  - Confirming to and exceeding wherever possible, prevalent guidelines on Corporate Governance.
  - Regularly reviewing the Board processes and the Management systems to improve governance relating to all the above.

The report on Corporate Governance is divided into five parts :

- I. Board of Directors
- II. Remuneration of Directors
- III. Committees of the Board
- IV. Shareholder Information
- V. Other Disclosures

#### I. BOARD OF DIRECTORS

The Board consist of five (5) members comprising two (2) executive directors and three (3) non-executive directors. The Chairman of the Board is an executive director and one-third of the Board comprises of independent directors.

##### A. The constitution of the Board as on 31<sup>st</sup> March, 2004

Director	Brief Resume	Total Number of Committee Membership held (excluding in private companies)	Total No. of Committee Chairmanship held (excluding in private companies)	Number of outside directorships held (excluding alternate directorships and directorships in private companies)
<b>Non-Executive</b>				
Shirish Gotecha	B. Com	None	None	None
Ashwini O. Sharma	B. A.	None	None	None
Arjun Singh Mehrotra	B. Com	None	None	None
<b>Executive</b>				
Atin J. Agarwal	B. Com	None	None	None
J. N. Agarwal	B. Com	None	None	None

#### B. Responsibilities

The Board of Directors responsibilities include review of :

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Business risk analysis and control
- Senior executive appointment
- Compliance with statutory / regulatory requirements and review of major legal issues
- Adoption of quarterly results / annual results
- Transaction pertaining to purchase, disposal of property, major provisions and write-offs.

#### C. Board Meetings

The meetings of the Board of Directors are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, capital expenditure, etc. is circulated to all the directors. It also highlights important matters discussed at the audit committee, shareholders grievance committee and at the sub-committee of Directors.

## Jaipon Industries Limited

Five Board meetings were held during the period 31<sup>st</sup> March, 2004. They were held on 30/04/03, 31/07/03, 03/09/03, 30/10/03 and 31/01/04. The attendance record of all directors is as under :

Name	No. of meetings attended	Attendance at last AGM
J. N. Agarwal	5	Yes
Atin J. Agarwal	5	Yes
Shirish Gotecha	5	Yes
Ashwini O. Sharma	5	Yes
Arjun Singh Mehrotra	5	Yes

### II. REMUNERATION OF DIRECTORS

The primary role of the Remuneration Committee is to determine and recommend to the board the compensation to the directors. The details of remuneration paid to the directors for the year ended 31.03.2004 are specified below :

#### Remuneration as per accounts for the year ended 31<sup>st</sup> March, 2004

Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
J.N. Agarwal	3,00,000/-	Nil	3,00,000/-
Atin J. Agarwal	1,80,000/-	Nil	1,80,000/-

### III. COMMITTEES OF THE BOARD

#### A. Audit Committee

The Audit Committee was constituted on 25<sup>th</sup> March, 2002. The Audit Committee reviews financial reporting systems, Internal control systems and procedures and ensures compliance with the regulatory guidelines. The committee also monitors the Annual audit plan and recommends appointment and fixes remuneration of external auditors. In 2004, the Audit Committee met 5 times. The attendance during the year is as under :

Name of the Member	Designation	No. of meetings attended
Ashwini O. Sharma	Member	5
Arjun Singh Mehrotra	Member	5
Shirish Gotecha	Chairman	5

#### B. Remuneration Committee

Chairman : Arjun Singh Mehrotra

Members : Shirish Gotecha, Ashwini O. Sharma

Remuneration Committee was constituted on 25<sup>th</sup> March, 2002 and it reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for executive directors. During the year 2004 Remuneration Committee does not meet.

#### Remuneration Policy

The Managing / Executive Directors are paid remuneration as per the Agreements entered between them and the Company. These Agreements are placed for approval before the Board and the shareholders and such other authorities as may be necessary. The remuneration structure of the Managing / Executive Directors comprises of salary, commission, perquisites and allowances, contributions to provident fund, superannuating and gratuity. The non-executive directors do not draw any remuneration from the Company. The details of remuneration to directors is furnished in paragraph II above.

#### C. Share Transfer Committee

Chairman : Ashwini O. Sharma

Members : Atin Agarwal & Arjun Singh Mehrotra

The Committee deals with matters relating to :

- Transfer/transmission of shares
- Issue of duplicate share certificate
- Review of shares dematerialised
- All other matters related to shares.

## Annual Report 2003 - 2004

### D. Shareholder / Investor Grievance Committee

This Committee was constituted on 25<sup>th</sup> March, 2002 to specifically look into the redress of shareholder and investor complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Report, etc.

### IV. SHAREHOLDER INFORMATION

#### 1. Annual General Meeting

**Date and Time** : 28<sup>th</sup> September, 2004 at 2.00 p.m.

**Venue** : 17, Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai - 400 063.

**2. Book Closure Date** : 20<sup>th</sup> September, 2004 to 28<sup>th</sup> September, 2004

**3. Financial Calendar** : (Provisional)

The Company's Financial Year is based on four quarters consisting three months per quarter.

Period	Board meeting to approve quarterly financial results
Quarter ending 30 <sup>th</sup> June, 2004	By end of July, 2004
Quarter ending 30 <sup>th</sup> September, 2004	By end of October, 2004
Quarter ending 31 <sup>st</sup> December, 2004	By end of January, 2005
Quarter ending 31 <sup>st</sup> March, 2005	By end of April, 2005

**4 Registered Office** : 17, Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai - 400 063.

**5. Listing of Equity Shares on Stock** : The Stock Exchange, Mumbai

Listing Fees as prescribed has been fully paid to the Stock Exchanges where the shares of the Company are listed.

**6. Stock Code** :

Stock Exchange

Stock Code

The Stock Exchange, Mumbai

5840

**7. Stock Price Data** :

Bombay Stock Exchange (BSE)

(in Rs.)

Year / Month	High	Low
April, 2003	10.35	9.00
May, 2003	15.90	8.20
June, 2003	19.79	11.00
July, 2003	12.38	7.81
August, 2003	10.64	7.91
September, 2003	10.74	7.30
October, 2003	8.50	6.80
November, 2003	8.00	6.39
December, 2003	8.00	6.39
January, 2004	11.00	7.00
February, 2004	7.64	6.50
March, 2004	7.00	4.75