

**17th  
ANNUAL REPORT  
2002-2003**



**JAIHIND**  
PROJECTS LIMITED

|  |   |   |  |
|--|---|---|--|
| <b>BOARD OF DIRECTORS</b>                    | : | Prakash L. Hinduja<br>Dinesh L. Hinduja<br>Lallan Pandey<br>Dinesh P. Lalwani<br>Rajiv K. Doshi           | <i>Chairman &amp; Managing Director</i><br><i>Director (Commercial)</i><br><i>Director</i> |
| <b>AUDITORS</b>                              | : | N. K. Aswani & Co.<br><i>Chartered Accountants</i><br>Ahmedabad   |  |
| <b>BANKERS</b>                               | : | Canara Bank<br>Sabarmati Branch, Ahmedabad  |  |
| <b>REGISTERED &amp;<br/>CORPORATE OFFICE</b> | : | 9th Floor, Madhuram Complex,<br>Opp. R.T.O., Keshavnagar,<br>Near Subhash Bridge,<br>Ahmedabad - 380 027. |  |
| <b>PUNE OFFICE</b>                           | : | Planet Millennium<br>A-10, Fifth Floor,<br>Flat-502, Pimple Saudagar,<br>Pune - 411 027.                  |  |



**ANNUAL REPORT 2002-2003****NOTICE**

Notice is hereby given that the Seventeenth Annual General Meeting of the members of the Company will be held on Tuesday, 30th September, 2003 at 3.00 P.M. at the Registered Office of the Company at 9th Floor, Madhuram Complex, Opp: RTO Circle, Keshavnagar, Ahmedabad to transact the following business:

**ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date along with the reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Dinesh P. Lalwani who retires by rotation at this Annual General meeting and is eligible for re-appointment.
- 3) To appoint Auditors of the Company.

**SPECIAL BUSINESS**

- 4) To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Lallan Pandey be and is hereby appointed as a Director of the Company.

- 5) To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

RESOLVED THAT consent be and is hereby accorded pursuant to section 314 and other applicable provisions of the Companies Act 1956 to Mr. Lallan Pandey, Director of the Company to hold the office or place of profit under the Company and to continue to hold the same and to receive remuneration of Rs. 35,000/- p.m. w.e.f. 1-10-2002 for a period of one year.

- 6) To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 Mr. Lallan Pandey be and is hereby appointed as Whole Time Director designated as Executive Director of the Company for the period of five years commencing from 01-10-2003 on terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto with an authority to Board of Directors to alter and/or vary including the enhancement of his remuneration in such manner and to such extent as may be agreed between the Board of Directors and Mr. Lallan Pandey so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit the remuneration as stated in the explanatory statement shall be paid to Mr. Lallan Pandey as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**Registered Office**  
9th Floor, Madhuram Complex,  
Opp. RTO Circle, Keshavnagar  
Ahmedabad 380027.  
Date: 31st July, 2003

On Behalf of the Board of Directors

**Prakash L. Hinduja**  
*Chairman & Managing Director*

**Notes :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. IN ORDER TO BE VALID, THE PROXY FORM SHOULD BE FILED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
- b) The Register of Members and transfer Books of the Company will be closed from 20th September, 2003 to 30th September 2003. (Both days inclusive)
- c) An Explanatory Statement under Section 173 (2) of the Companies Act, 1956 in respect of item No.4 to 6 be transacted at the meeting is appended hereto.

**ANNEXURE TO THE NOTICE**  
**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO.4**

Mr. Lallan Pandey was appointed as an Additional Director by the Board of Directors of the Company ("the Board") during the year.

Pursuant to section 260 of the Companies Act, 1956 (the Act) Mr. Lallan Pandey holds office upto the date of ensuing Annual General Meeting of the Company. Due notice under Section 257 of the Act has been received from a member proposing the appointment of Mr.Lallan Pandey as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. The Board has no hesitation in recommending his appointment.

None of Directors, except Mr.Lallan Pandey, is concerned or interested in the resolution at item No.4.

**ITEM NO. 5 & 6**

The Company has availed services of Mr.Lallan R. Pandey as Vice President of the Company and paid him a remuneration of Rs.35,000/- p.m. He was subsequently appointed as Director of the Company and therefore Special Resolution u/s 314 of the Companies Act 1956 is proposed at the ensuing Annual General Meeting.

Subject to the approval of Shareholders under section 269 of the Companies Act 1956 thought is given by the management to appoint Mr. Lallan Pandey as Executive Director for the period of Five Years w.e.f. 01-10-2003 due to the day to day involvement of the aforesaid Director in the affairs of the Company.

The aforesaid appointment is in accordance with the provisions of section 269 and Schedule XIII of Companies Act, 1956.

The terms of his appointment are as under:

1. **Salary** - Rs. 35000/- p.m.
2. **Perquisites** - Following perquisites will be provided subject to condition that the total amount of perquisites will not exceed an amount equal to annual salary.

**Category A**

- (a) **Reimbursement of Expenses** : Incurred by the appointee on gas, electricity and water valued as per Income Tax Rules subject to ceiling of 20% of salary.
- (b) **Medical Reimbursement** : Reimbursement of Medical Expenses incurred in connection with the medical treatment of self and family members not exceeding an amount equal to two months' salary in a year or six month's salary over a period of three years.
- (c) **Insurance Premium**: Insurance Premium for the personal accident for self and dependents not exceeding Rs. 10000/ Pa.

**Category B**

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceilings on perquisites to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

**Category C**

Provision of car with Chauffer for use on Company's Business and telephone at residence will not be considered as perquisites.

That in the event of loss or inadequacy of profits the aforesaid remuneration shall be paid to the appointee as minimum remuneration.

The above may also be treated as abstract of the terms of the appointments under section 302 of the Companies Act, 1956.

The Directors recommended the resolutions as set out in item No. 5 & 6 in the notice.

Mr. Lallan Pandey is concerned or interested in the resolution set out in item No. 5 & 6 relating to his appointment.

**Registered Office**

9th Floor, Madhuram Complex,  
 Opp. RTO Circle, Keshavnagar  
 Ahmedabad 380027.  
 Date: 31st July, 2003

On Behalf of the Board of Directors

**Prakash L. Hinduja**  
*Chairman & Managing Director*

**ANNUAL REPORT 2002-2003****DIRECTORS' REPORT**

Dear Members,

Your directors have pleasure in presenting this 17th Annual Report and the Audited Accounts for the financial year ended on 31st March 2003.

**FINANCIAL RESULTS**

|   | Current Year | (Rupees in lacs)<br>Previous Year |
|---|--------------|-----------------------------------|
| Total Income                              | 5561.89      | 5490.08                           |
| Less: Expenditure                         | 5339.19      | 5284.14                           |
| Profit before Interest and Depreciation   | 222.70       | 205.94                            |
| Less : Interest                           | 58.48        | 52.30                             |
| Less : Depreciation                       | 70.93        | 60.66                             |
| Profit Before Tax                         | 93.29        | 92.98                             |
| Less : Provision for Taxation             | 28.00        | 31.25                             |
| Less : Transfer to Deferred Tax Liability | 7.84         | 4.53                              |
| Profit After Tax                          | 57.45        | 57.20                             |
| Balance carried to Balance-Sheet          | 500.36       | 442.91                            |

**DIVIDEND**

As a measure of abundant precaution and in order to retain the surplus for growth and expansion your Directors do not propose any dividend for the financial year 2002-2003.

**OPERATIONS**

During the year under review, the Company's income was Rs. 5561.89 Lacs against Rs. 5490.07 Lacs during the previous year. Higher turnover was possible on account of stringent efforts made by management at all the levels inspite of the continuous sluggish trend prevailing in the last couple of years.

During the year, your Company has bagged various contracts worth over Rs. 87 Crores. Major among them are :

|   |         |   |
|---|---------|---|
| Gas Authority of India Ltd.               | 636.12  | Laying and construction of 18" dia 33 Kms gas pipeline, terminals and associated facilities for supplying natural gas to PPN Power Plant at Tamil Nadu.   |
| Gas Authority of India Ltd.               | 1098.95 | Laying of pipelines and assented facilities for spread-3 of Vizag - Secundrabad LPG pipeline project. 12" dia 85 Kms.   |
| Gujarat Water Supply & Sewerage Board     | 181.25  | EPC Turnkey contract for Mandvi RWSS Part II  |
| Gujarat Water Supply & Sewerage Board     | 460.43  | Devdha Regional Water Supply Scheme of Dist. Navsari.   |
| Gujarat Water Supply & Sewerage Board     | 801.34  | Kelia Regional Water Supply Scheme of Dist. Navsari.  |
| Gujarat Water Supply & Sewerage Board     | 1324.13 | Augmentation of Vijapur Regional Water Supply Scheme.   |
| Chennai Water Supply Augmentation Project | 1219.51 | Chennai Water Supply Augmentation Project-I package III laying of MS pipeline 1750, 1775 and 1875 mm dia MS pipeline of 37Kms long and construction of Break pressure tank - Veeranam Water Supply project. |



|  |         |   |
|--|---------|---|
| Rajasthan Urban Infrastructure                     | 643.93  | Construction of service reservoirs and ancillary works Development Project in Bikaner City.   |
| Rajasthan Urban Infrastructure Development Project | 256.95  | Construction of clear water reservoirs and overhead services reservoirs in Jhotwara and Kalyan Nagar area, Jaipur.  |
| Rajasthan Urban Infrastructure Development Project | 1200.21 | Re-modeling & strengthening of Drainage Channels and construction of new storm water drains in Jodhpur City.  |
| Rajkot Municipal Corporation                       | 121.50  | Construction of GSR at Aji Filter Plant.  |
| Gujarat Water Supply & Sewerage Board              | 147.16  | Lowering, Laying, Jointing & Commissioning of MS & PVC distribution pipeline at different villages covered under Khimat Group of Sipu RWSS of Banaskantha district. |
| Gujarat Water Supply & Sewerage Board              | 605.66  | Distribution pipeline network including constructions of sumps, ESRs and civil works for Gondal Group based on Narmada / Mahi pipeline.                             |

### FUTURE PLANS & DIVERSIONS

Your Company is continuing to improve its performance because of its management's total focus on key strategic initiatives. Apart from this, the management has been aggressively examining the process by taking full advantage of technology to drive down costs across the organization to generate additional funds to fuel growth. The initiatives have been successfully implemented by outstanding work force of the Company to which the Board acknowledges its appreciation and gratitude.

### PERSONNEL

There was no employee drawing remuneration as mentioned under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

### DIRECTORS

Mr. Dinesh P. Lalwani retires by rotation at this annual general meeting and being eligible offers himself for re-appointment.

Mr. Lallan R. Pandey was appointed as a Director w.e.f. 1st October, 2002.

The Company has received a notice in writing from a member proposing his candidature for the office of Director u/s.257 of the Companies Act, 1956.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the accounts for the financial year ended 31st March 2003, the applicable accounting standards have been followed along with proper explanation relating to the material departures,
- (ii) 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 at the end of the financial year and of the profit or loss of the Company for the year under review,
- (iii) 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,
- (iv) that the Directors have prepared the annual accounts on a 'going concern' basis.

**ANNUAL REPORT 2002-2003****LISTING AGREEMENT**

Your Company is committed to good corporate governance practices. Under clause 49 of the listing agreement, your Directors are pleased to inform that your Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange(s). A certificate from the Statutory Auditors of the Company in line with clause 49 is annexed to and forms part of the Director's Report.

**FIXED DEPOSITS**

The Company has accepted deposit of Rs. 68.85 Lacs upto 31st March 2003 pursuant to Companies (Acceptance of Deposit) Rules, 1975.

**AUDITORS**

You are requested to appoint the auditors for the current year and to fix their remuneration. The retiring auditors M/s. N.K. Aswani & Co., Chartered Accountants, are eligible and offer themselves for re-appointment. The Company has received a certificate from M/s. N.K. Aswani & Co. to the effect that their re-appointment, if made, will be within the prescribed limits specified in Section 224(1-B) of the Companies Act, 1956.

**AUDITORS REPORT**

The observations of the Auditors are explained wherever necessary in the appropriate notes annexed to the accounts. The explanations contained in the notes may be treated as information/explanations submitted by the Board as contemplated U/s.217(3) of the Companies Act, 1956.

**ACKNOWLEDGEMENT**

Your directors take this opportunity to express their sincere gratitude for the assistance and continued support and co-operation extended by Banks, Government and Statutory Authorities, shareholders, Suppliers and our valued clients GAIL, PDIL, ONGCL, IOCL, IGL, GSPL, EIL, MJP, CMWSSB, GWSSB, TWAD, KUWS&DB, EPIL, BARC etc.

Your Directors wish to thank all the Executives, Employees and Consultants of the Company for rendering impeccable service to every constituent of the Company's clientele, their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Place : Ahmedabad  
Date : 31/07/2003

**Prakash L. Hinduja**  
Chairman

## **Annexure - A**

### **Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988**

#### **(a) Conservation of Energy:**

Care is taken for economic consumption of energy in all the project sites/workshops of the Company. Company had consumed electricity and the cost of power fuel is reasonable. Company has maintained various power generators/DG sets periodically to achieve maximum efficiency with minimum fuel consumption. Company has successfully worked out effective and efficient design of the lighting and energy devices in the offices of site working areas.

#### **(b) Technology Absorption:**

Research & Development (R&D):

(i) Specific area in which R&D is carried out by the Company.

(a) Improvement of Product Quality for pipe lining/coaltar coating.

(b) Process Optimization

(c) Process Development /modification.

(ii) Benefits derived as a result of the above R & D.

Lower cost due to higher quality and better process optimization.

(iii) Future plan of action.

The Company's efforts will continue in the above area of R& D.

#### **(c) Technology absorption, adoption & innovation.**

(1) Efforts, in brief, towards technology absorption, adoptions and innovations:

The Company has instituted, state of the art machinery at various sites, workshops, which operate under excellent technological parameters.

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

Enabled the Company to complete the projects of good quality and with tight completion schedule.

(3) Future Plans:

The Company will continue its efforts to improve the product quality and productivity by carrying out various process/Quality improvements through indigenous technology.

#### **(d) Foreign Exchange Earning & Outgo:**

Additional information pursuant to the provisions of Part-II Schedule VI of the Companies Act, 1956 ( wherever applicable)

| <b>Particulars</b>   | <b>2002-2003</b> | <b>2001-2002</b> |
|--|------------------|------------------|
| 1. Value of Imports Calculated on CIF basis<br>Purchase of Raw material Goods. | <b>6697461</b>   | 1533849          |
| 2. Expenditure in Foreign Currencies   | <b>210774</b>    | NIL              |

For and on behalf of the Board of Directors

Place : Ahmedabad  
Date : 31/07/2003

**Prakash L. Hinduja**  
Chairman