

10th

ANNUAL REPORT

2003-2004



JAIHIND

PRODUCTS LIMITED



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

ANNUAL REPORT 2003-2004**NOTICE**

NOTICE is hereby given that the EIGHTEENTH Annual General Meeting of the members of Company will be held on Monday, 20th September, 2004 at 9th Floor, Madhuram Complex, Opp. R.T.O. Circle, Keshavnagar, Ahmedabad at 03.00 P.M. at the Registered Office of the Company at to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt Audited Balance Sheet as at 31st March, 2004 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors.
- 2) To re - appoint Mr. Dinesh L. Hinduja as a Director of the Company who retires by rotation and being eligible offers himself for re - appointment.
- 3) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

- 4) To consider and if thought fit to pass with all 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. Prakash L. Hinduja be and is here by appointed as Managing Director of the Company for the period of the five years commencing from 01st March, 2005 on terms and conditions with regards 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 is remuneration in such manner and to such extent as may be agreed between the Board of Directors and Mr. Prakash L. Hinduja 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. Prakash L. Hinduja 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, 2004

On Behalf of the Board of Directors

Prakash L. Hinduja
Chairman & Managing Director

NOTE :

1. A member entitled to attend and vote at the meeting is also entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting.
2. The register of share transfer book and register of members shall be closed from 11.09.2004 to 18.09.2004. (both days inclusive).
3. The Explanatory Statement in respect of special business is annexed to the notice.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.****ITEM NO.4**

The Company has availed services of Mr. Prakash L. Hinduja as Managing Director of the Company. His term of office will expire on 28th February, 2005.



Subject to the approval of Shareholders under section 269 of the Companies Act 1956 thought is given by the management to appoint Mr. Prakash L. Hinduja as Managing Director for the period of Five Years w.e.f. 01-03-2005.

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. 60000/- p.m. in the scale of 60000 - 100000/-
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 Rule 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) **Leave Travel Concession (LTC)** : Reimbursement of traveling expenses for self and family members twice in a block of four years with a facility to encash the LTC not availed in the said block.
- (d) **Club Fees: Membership Fees** not more than two clubs. However, admission fees shall not be admissible.
- (e) **Insurance Premium**: Insurance Premium for the personal accident for self and dependents not exceeding Rs.10000/ P.Y.

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.

Privileged Leave: As per the rules of the Company, Unclaimed Privileged Leave be en cash to the end of the year i.e. 31st March.

Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

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 these Directors 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. 4 in the notice.

Mr. Prakash L. Hinduja & Mr. Dinesh L. Hinduja are concerned or interested in the resolution set out in item No. 4 relating to appointment of Managing Director.

Registered Office
9th Floor, Madhuram Complex,
Opp. RTO Circle, Keshavnagar
Ahmedabad 380027.
Date: 31st July, 2004

On Behalf of the Board of Directors

Prakash L. Hinduja
Chairman & Managing Director

ANNUAL REPORT 2003-2004**DIRECTORS' REPORT**

Dear Members,

Your directors have pleasure in presenting this 18th Annual Report and the Audited Accounts for the financial year ended on 31st March 2004.

FINANCIAL RESULTS

	Current Year	(Rupees in lacs) Previous Year
Total Income	4670.19	5561.89
Less: Expenditure	4409.63	5339.19
Profit before Interest and Depreciation	260.56	222.70
Less : Interest	101.27	58.48
Less : Depreciation	73.12	70.93
Profit Before Tax	86.17	93.29
Less: Provision for Taxation	23.50	28.00
Less: Transfer to deferred Tax Liability	12.98	7.84
Profit After Tax	49.69	57.45
Balance carried to Balance-Sheet	427.15	377.46

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 2003-2004.

OPERATIONS

During the year under review, the Company's income was Rs. 4670.19 Lacs against Rs.5561.89 Lacs during the previous year. There was decrease in income on account of sluggishness in infrastructure activities in the last quarter on account of election. However, due to account of stringent efforts made by management at all the levels, the current year would be better than the previous year.

The Board is pleased to inform that the company has got ISO 9001 from Benchmark during the year.

Major contracts bagged by the Company are :

During the year, our Company has bagged various contracts worth over Rs.3849.00 Lacs. Majors among them are:

Indian Oil Corporation Ltd.	1631.00	Construction of 12" dia pipeline 155 km from Panipat to Rewari including installation of pipeline by HDD method cathodic protection and civil, mechanical, electrical and instrumentation works at the stations en route.
GAIL (India) Ltd.	1245.00	Coating and laying of pipeline and associated facilities for Blue-Sky Lucknow-Kanpur Pipeline projects.
Karnataka Urban Water Supply & Drainage Board	341.00	Providing water supply scheme to Pandavapura Town (Package I & II)



Rajasthan Urban Infrastructure Development Project.	475.00	Construction and commissioning of clear water reservoirs and over head service reservoirs in various colonies of Jaipur.
GAIL (India) Ltd.	97.00	Composite works at Ankot and Samini of South Gujarat Pipeline project.
Indian Oil Corporation Ltd.	60.00	Excavation, removal of old coat and wrap cleaning the pipe by sand blasting, priming, coating with CTE based tape, sleeving, holiday testing and back filling in Salaya-Viramgam & Viramgam- chaksu -Mathura section of SMPL (Gr.V)

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 initiative 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 L. Hinduja retires by rotation at this annual general meeting and being eligible offers himself for re-appointment.

The term of the office of Mr. Prakash L. Hinduja the Managing Director of the Company will expire on 28th February, 2005. Mr. Prakash L. Hinduja is pioneer in the development of the Company and the Company has availed his services since inception. The Board therefore recommends his appointment as Managing Director effective from 01st March, 2005 for the further period of five years.

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 2004, 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.

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

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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 not accepted deposit during the year 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 ever constituent of the company's clientele, their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 31/07/2004

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 efficiency 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 above R & D.

Lower cost due to higher quality and better process optimization.

(iii) Future plan of action.

The company efforts will continue in the above are of R & D.

(c) Technology absorption, adoption & innovation.

(1) Effort, 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).

Particulars	2003-2004	2002-2003
1. Value of Imports Calculated on CIF basis Purchase of Raw materials Goods.	9719529	6697461
2. Expenditure in Foreign Currencies	NIL	210774

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 31/07/2004

Prakash L. Hinduja
Chairman