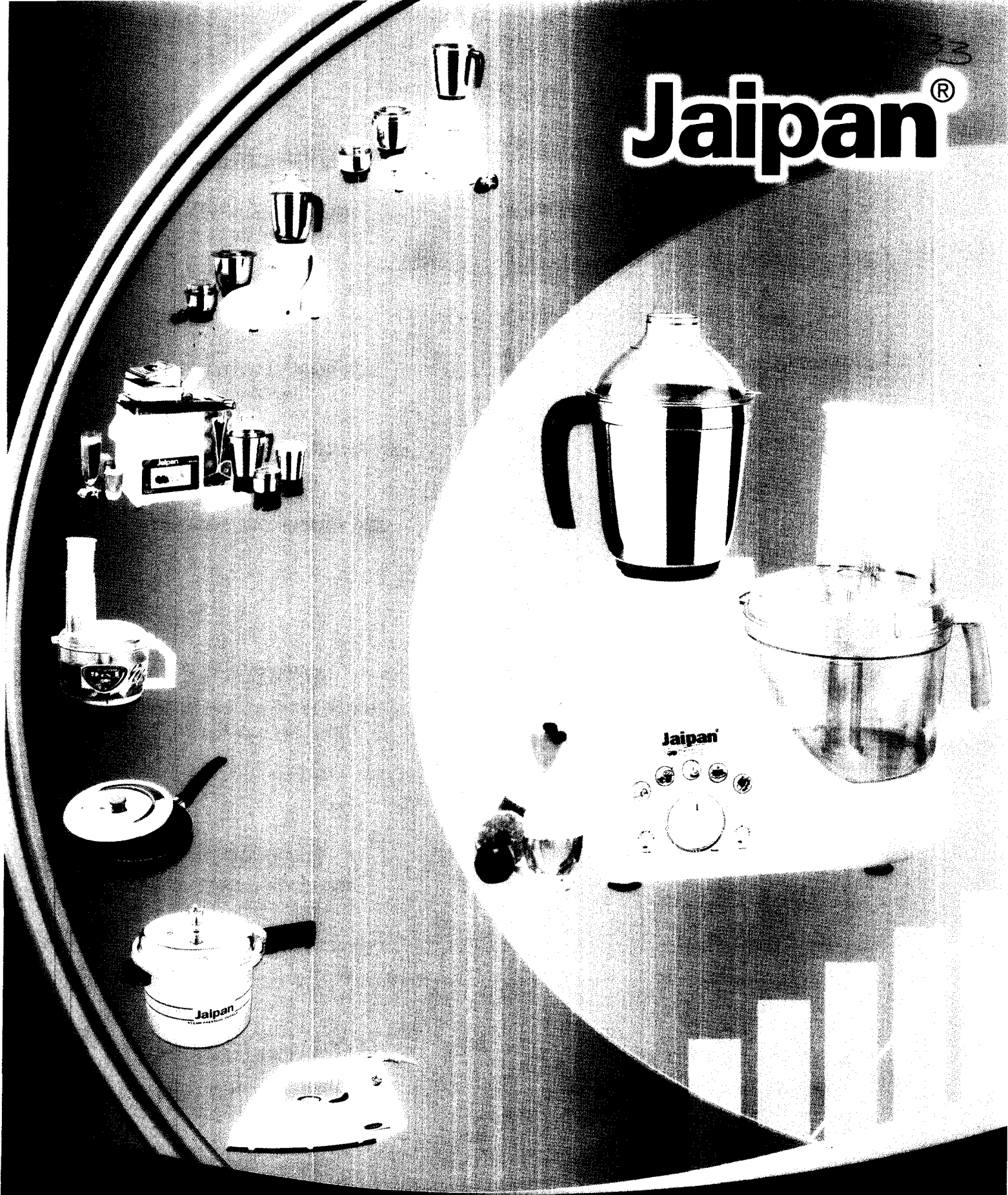


Jaipan®



Jaipan Industries Limited
38th Annual Report 2003-2004

CONTENTS

	Page No.
Notice	1
Directors' Report	2
Report on Corporate Governance	4
Auditor's Report	9
Balance Sheet.....	12
Profit and Loss Account	13
Schedules	14
Notes to the Accounts	19
Cash Flow Statement.....	23

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,
1st Floor, L.B.S. Marg,
Bhandup (W),
Mumbai - 400 078.

REGISTERED OFFICE

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 38th ANNUAL GENERAL MEETING OF THE MEMBERS OF JAIPAN INDUSTRIES LIMITED WILL BE HELD ON 28th 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 31st March, 2004, Profit and Loss Account for the year ended 31st 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 : 3rd 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 20th September, 2004 to 28th 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,
1st 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 : 3rd 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 38th Annual Report together with the Audited Accounts for the year ended 31st March, 2004.

1. FINANCIAL RESULTS :

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

2. DIVIDEND

Your Board of Directors does not recommend any dividend for the financial year ended 31st 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 :

- i) that in preparation of the Annual Accounts for the year ended 31st March, 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) 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 31st March, 2004 and the profit of the Company for the year under review;
- iii) 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;
- iv) that the annual accounts for the year ended 31st 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.

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".

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**

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.

J. N. AGARWAL
(Chairman & Managing Director)

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

Place : Mumbai
Dated : 3rd 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 31ST 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 : 3rd 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 31st 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)
Non-Executive				
Shirish Gotecha	B. Com	None	None	None
Ashwini O. Sharma	B. A.	None	None	None
Arjun Singh Mehrotra	B. Com	None	None	None
Executive				
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.

Jaipan Industries Limited

Five Board meetings were held during the period 31st 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 31st 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 25th 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 25th 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 25th 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 : 28th September, 2004 at 2.00 p.m.

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

2. Book Closure Date : 20th September, 2004 to 28th 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 th June, 2004	By end of July, 2004
Quarter ending 30 th September, 2004	By end of October, 2004
Quarter ending 31 st December, 2004	By end of January, 2005
Quarter ending 31 st 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

- 8. Registrars & Transfer Agents :** Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
1st Floor, L.B.S. Marg,
Bhandup (W), Mumbai - 400 078.

9. Share Transfer System :

Share Transfer in physical form is normally effected within a maximum period of 30 days of receipt of the documents, if found in order. All Share Transfer are approved by the Share Transfer Committee. All requests for dematerialisation of shares are processed and the confirmation is given to the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL), INDIA.

10. Distribution of shareholding as on 31st March, 2004.

Range of Shares	No. of Shareholders	% of Shareholdings	Share Amount (In Rs.)
1 – 2,500	1130	38.30%	2047620
2,501 – 5,000	615	20.85%	2722120
5,001 – 10,000	467	15.83%	3724240
10,001 – 20,000	553	18.75%	7359660
20,001 – 30,000	63	2.14%	1589020
30,001 – 40,000	24	0.81%	848840
40,001 – 50,000	18	0.61%	846840
50,001 – 1,00,000	39	1.32%	2753650
1,00,000 & above	41	1.39%	39106410
TOTAL	2950	100.00%	60998400

11. Category of Shareholdings as on 31st March, 2004.

Category	No. of Shares	% of total shares
Promoters & their relatives	1718144	28.17%
Persons acting in concert	331248	5.43%
Mutual Funds & UTI	–	–
Banks / FIs / Insurance Co. (Central / State Govt. / Non - Govt. Institutions)	84000	1.38%
Foreign Institutional Investors	–	–
Corporate Bodies	1335428	21.89%
NRIs / OCBs	–	–
Indian Public	2622695	42.99%
Others (clearing member)	8325	0.14%
TOTAL	6099840	100.00%

12. Dematerialisation of shares and liquidity

42.96% of total Equity Capital is dematerialised form with NSDL and CDSL as on 31st March, 2004.

13. Address for correspondence

Company's Registrars & Transfer Agents : Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
1st Floor, L.B.S. Marg,
Bhandup (W), Mumbai - 400 078.

Annual Report 2003 - 2004

V. OTHER DISCLOSURES

Details of Annual / Extra-ordinary General Meetings

Location and time of General Meetings held in last 3 years :

Year	AGM / EGM	Location	Date	Time
2000-01	EGM	Bageecha Hotel, Ruia Park, Malad Marve Road, Malad (W), Mumbai - 400 095.	5 th January, 2001	1.00 p.m.
2000-01	AGM	Bageecha Hotel, Ruia Park, Malad Marve Road, Malad (W), Mumbai - 400 095.	28 th September, 2001	3.00 p.m.
2001-02	EGM	Bageecha Hotel, Ruia Park, Malad Marve Road, Malad (W), Mumbai - 400 095.	3 rd January, 2002	1.00 p.m.
2001-02	AGM	Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai - 400 063.	30 th September, 2002	1.30 p.m.
2002-03	AGM	Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai - 400 063.	30 th September, 2003	1.30 p.m.

For, Year 2003-2004, the Company does not have any proposal for postal ballots.

Means of communication

Quarterly results of the Company in the proforma prescribed by the Stock Exchange, Mumbai were published in leading newspapers such as (Free Press Journal & Nav Shakti). The Companies Website www.jaipan.com also displays official new releases and presentations made to the institutional investors/analyst.

For and on behalf of the Board of Directors

J. N. AGARWAL
(Chairman & Managing Director)

Place : Mumbai

Dated : 3rd September, 2004

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members of
JAIPAN INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Jaipan Industries Limited for the year ended 31st March, 2004 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, and the representations made by the directors and the managements, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, and certified by the Registrars of the Company, there were no investor's grievances remaining unattended / pending for more than 30 days as at 31st March, 2004.

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 **ASHOK K. LOHIYA & ASSOCIATES**
Chartered Accountants

PLACE : MUMBAI
DATED : 3rd September, 2004

ASHOK K. LOHIYA
(Proprietor)

AUDITORS' REPORT

To,

The Members of

JAIPAN INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **JAIPAN INDUSTRIES LIMITED**, as at 31st March, 2004 and the Profit and Loss account for the year ended on that date annexed thereto and report that :-

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4 A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books.
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Profit and Loss Account and Balance Sheet comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

- e. Based on representation received from the Directors of the Company and taken on record by the Board of Directors none of the Directors is disqualified as at 31st March, 2004 to being appointed as a Director within the meaning of Section 274(1)(g) of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) In so far as it relates to the Balance sheet, of the state of affairs of the Company as at 31st March, 2004.
 - ii) In so far as it relates to the Profit and Loss Account of the profit of the Company for the year ended on that date.

For **ASHOK K. LOHIYA & ASSOCIATES**
CHARTERED ACCOUNTANTS

ASHOK K. LOHIYA
(Proprietor)

PLACE : MUMBAI

DATED : 3rd September, 2004

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 1 of the Auditors Report of the even date)

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies between book records and physical inventory were noticed.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. In our opinion, discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
6. The valuation of stock is fair and proper in accordance with the normally accepted accounting principles.
7. According to the information and explanations given to us, the Company has not taken any loans from Companies listed in the register maintained under Section 301 of the Companies Act, 1956. As explained to us, there are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
8. The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 301 and to the Companies under the same management.
9. The Company has granted loans and advances in the nature of loans and the parties to whom such loans and advances in the nature of loans have been given by the Company are generally repaying the principal amount as stipulated and are also regular in payment of interest wherever applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to sale of goods.
11. In our opinion and according to the information and explanation given to us, the transaction of purchases of goods and materials and sale of goods materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at price which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the item so determined.
13. The Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder applied.

Jaipan Industries Limited

14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realizable by-products and scrap.
15. The Company has an internal audit system commensurate with its size and nature of business.
16. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
17. The Company is regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
18. According to the information and explanation given to us, there were no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Customs Duty and Excise duty outstanding as at 31st March, 2004 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.
20. The Company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For **ASHOK K. LOHIYA & ASSOCIATES**
CHARTERED ACCOUNTANTS

ASHOK K. LOHIYA
(Proprietor)

PLACE : MUMBAI

DATED : 3rd September, 2004

Annual Report 2003 - 2004

BALANCE SHEET AS AT 31ST MARCH, 2004

	SCHEDULE	AS AT 31.03.2004 Rupees	AS AT 31.03.2003 Rupees
LIABILITIES			
SOURCES OF FUNDS:			
1. SHARE HOLDERS' FUNDS :			
a) Share Capital	1	60998400	60998400
b) Reserves and Surplus	2	33832521	32572320
		<u>94830921</u>	<u>93570720</u>
2. LOAN FUNDS :			
a) Secured Loans	3	8848456	9230328
b) Unsecured Loans	4	515000	Nil
		<u>9363456</u>	<u>9230328</u>
Total Rs.		<u>104194377</u>	<u>102801048</u>
APPLICATION OF FUNDS :			
3. FIXED ASSETS :	5		
a) Gross Block		48506336	47060550
b) Less : Depreciation		28297607	25192377
c) Net Block		<u>20208729</u>	<u>21868173</u>
d) Capital Work in progress		Nil	Nil
		<u>20208729</u>	<u>21868173</u>
4. INVESTMENTS	6	190500	190500
5. CURRENT ASSETS, LOANS AND ADVANCES :			
a) Inventories	7	13385573	12791718
b) Sundry Debtors	8	38136869	41860070
c) Cash and Bank Balances	9	5892914	5221054
d) Loans and Advances	10	72134826	61342930
		<u>129550181</u>	<u>121215772</u>
Less : CURRENT LIABILITIES AND PROVISIONS :	11		
Current Liabilities		45505033	38545410
Provisions		250000	1953500
		<u>45755033</u>	<u>40498910</u>
Net Current Assets	Total Rs.	<u>83795148</u>	<u>80716862</u>
6. MISCELLANEOUS EXPENDITURE : (To the extent not written-off or adjusted)			
Preliminary Expenses		0	25512
Total Rs.		<u>104194377</u>	<u>102801048</u>
NOTES ON ACCOUNTS	15		

AS PER OUR ATTACHED REPORT OF
EVEN DATE

For **ASHOK K. LOHIYA & ASSOCIATES**
CHARTERED ACCOUNTANTS

ASHOK K. LOHIYA
(PROPRIETOR)

PLACE : MUMBAI
DATED : 3rd September, 2004

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

J. N. AGARWAL
(MANAGING DIRECTOR)

ATIN J. AGARWAL
(DIRECTOR)

Jaipan Industries Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	<u>SCHEDULE</u>	<u>AS AT</u> <u>31.03.2004</u> <u>Rupees</u>	<u>AS AT</u> <u>31.03.2003</u> <u>Rupees</u>
<u>INCOME :</u>			
Sales			
Domestic		62857721	70410233
Export		42120990	22577231
Gross Sales		<u>104978712</u>	<u>92987464</u>
Other Income	12	1365376	396941
Closing Stock		4686759	6773631
Total Rs.		<u>111030846</u>	<u>100158036</u>
<u>EXPENDITURE :</u>			
Opening Stock		6773631	3768724
Raw Material Consumed	13	41043848	30961166
Purchases		31241637	33876557
Manufacturing & Other Expenses	14	27038914	26576872
Depreciation		3105230	3546030
Preliminary Expenses Written-Off		25512	27868
		<u>109228772</u>	<u>98757217</u>
Net Profit for the year		1802075	1400819
Less : Provision for Taxation		250000	250000
		<u>1552075</u>	<u>1150819</u>
Add : Balance Brought Forward from Previous Year		<u>22929171</u>	<u>21778352</u>
		<u>24481246</u>	<u>22929171</u>
Less : Utilised for Bonus Shares		Nil	Nil
Profit carried to Balance Sheet		<u>24481246</u>	<u>22929171</u>
NOTES ON ACCOUNTS	15		

AS PER OUR ATTACHED REPORT OF
EVEN DATE

For **ASHOK K. LOHIYA & ASSOCIATES**
CHARTERED ACCOUNTANTS

ASHOK K. LOHIYA
(PROPRIETOR)

PLACE : MUMBAI
DATED : 3rd September, 2004

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

J. N. AGARWAL
(MANAGING DIRECTOR)

ATIN J. AGARWAL
(DIRECTOR)

Annual Report 2003 - 2004

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	<u>AS AT</u> <u>31.03.2004</u> <u>Rupees</u>	<u>AS AT</u> <u>31.03.2003</u> <u>Rupees</u>
<u>SCHEDULE - 1</u>		
<u>SHARE CAPITAL :</u>		
<u>AUTHORISED :</u>		
61,00,000 Equity Shares of Rs.10/- each (Previous year 30,50,000 Equity Shares of Rs. 10/- each)	<u>61000000</u>	<u>61000000</u>
<u>ISSUED, SUBSCRIBED AND PAID-UP :</u>		
60,99,840 Equity Shares of Rs. 10/- each fully paid up	<u>60998400</u>	<u>60998400</u>
Total Rs.	<u>60998400</u>	<u>60998400</u>
<p>(Out of the above, 2,23,935 Equity Shares of Rs. 100/- each fully paid have been issued for consideration other than Cash)</p>		
<p>(Out of the above 5,08,320 Equity Shares of Rs. 10/- each were allotted on 28.2.2001 as Bonus Shares by Capitalisation of Rs. 50,83,200/- from General Reserves in terms of resolution passed by the members at Annual General Meeting held on 11/10/2000)</p>		
<p>(Out of the above 30,49,920 Equity Shares of Rs. 10/- each were allotted on 12.01.2002 as Bonus Shares by Capitalisation of Rs. 3,04,99,200/- from General Reserves in terms of resolution passed by the members at Annual General Meeting held on 28/09/2001)</p>		
<u>SCHEDULE - 2</u>		
<u>RESERVES AND SURPLUS :</u>		
i) Investment Subsidy received from Development Corporation of Konkan Limited	639500	639500
ii) Capital Redemption Reserve	500000	500000
iii) Investment Allowance Reserve	206649	206649
iv) Share Premium	8297000	8297000
v) Profit & Loss A/c. 22929171		
Less : Short Provision for Income tax 291874		
Add : Surplus from Profit & Loss A/c. 1552075		
Total Rs.	<u>24189372</u>	<u>22929171</u>
	<u>33832521</u>	<u>32572320</u>
<u>SCHEDULE - 3</u>		
<u>SECURED LOANS :</u>		
Cash Credit from Bank of Baroda (Secured by Hypothecation of Stocks of Raw Material, Semi-finished and finished Goods)	8415681	8796949
Other secured loan from finance cos., (against hypothecation of vehicles)		
Citi Bank (Car Loan)	Nil	111604
HDFC Bank (Car Loan)	351000	Nil
ICICI Bank (Car Loan)	81775	321775
Total Rs.	<u>8848456</u>	<u>9230328</u>
<u>SCHEDULE - 4</u>		
<u>UNSECURED LOANS :</u>		
Total Rs.	<u>515000</u>	<u>Nil</u>
	<u>515000</u>	<u>Nil</u>

SCHEDULE - 5**FIXED ASSETS & DEPRECIATION :**

FIXED ASSETS	GROSS BLOCK (Rs.)			DEPRECIATION (Rs.)			NET BLOCK (Rs.)	
	BALANCE AS ON 01.04.2003	ADDITION (DEDUCTION) DURING THE YEAR	AS ON 31.03.2004	BALANCE AS ON 01.04.2003	FOR THE PERIOD	AS ON 31.03.2004	AS ON 31.03.2004	AS ON 31.03.2003
1. Free Hold Land	1110000.00	-	1110000.00	-	-	-	1110000.00	1110000.00
2. Factory Building	14158251.10	113173.00	14271424.00	6139582.62	807525.50	6947108.12	7324315.88	8018668.38
3. Factory Premises	362475.00	-	362475.00	206441.46	15603.36	222044.82	140430.19	156033.54
4. Plant & Machinery	6527887.00	816691.00	7344578.00	3676172.72	431578.24	4107750.96	3236827.04	2851714.28
5. Moulds & Dies	12135164.00	265190.00	12400354.00	7427945.96	677493.17	8105439.13	4294914.87	4707218.04
6. Motor Vehicles	7074409.00	23148.00	7097557.00	4325585.24	640313.14	4965898.38	2131658.62	2748823.76
7. Furniture & Fixtures	2610701.00	203554.00	2814255.00	1533417.87	224041.85	1757459.72	1056795.28	1077283.13
8. Computers	1501154.90	8000.00	1509154.90	973548.43	209724.26	1183272.69	325882.21	527606.47
9. Office Equipment	1378095.00	16030.00	1394125.00	745994.58	88924.28	834918.86	559206.14	632100.42
10. Motor Cycle	202413.00	-	202413.00	163687.95	10025.92	173713.87	28699.13	38725.05
GRAND TOTAL	47060549.90	1445786.00	48506335.90	25192376.83	3105229.71	28297606.54	20208729.36	21868173.07

Annual Report 2003 - 2004

	<u>AS AT</u> <u>31.03.2004</u> <u>Rupees</u>	<u>AS AT</u> <u>31.03.2003</u> <u>Rupees</u>
<u>SCHEDULE - 6</u>		
<u>INVESTMENTS :</u>		
i) Share of Malad Co-operative Bank	500	500
ii) Investment	190000	190000
Total Rs.	190500	190500

<u>SCHEDULE - 7</u>		
<u>INVENTORIES :</u>		
(As taken valued and Certified by the Management)		
Raw Materials (At Cost)	8698814	6018087
Finished Goods (At Lower of Cost or Market Value)	4686759	6773631
Total Rs.	13385573	12791718

<u>SCHEDULE - 8</u>		
<u>SUNDRY DEBTORS :</u>		
(Unsecured, Considered Good)		
Debts Exceeding Six Months	25580348	27115311
Other Debts	12556521	14744759
Total Rs.	38136869	41860070

<u>SCHEDULE - 9</u>		
<u>CASH AND BANK BALANCES :</u>		
Cash in hand	227970	381135
Balance with Scheduled Bank	796586	422985
In Fixed Deposit Account	4868357	4416933
Total Rs.	5892914	5221054

Jaipan Industries Limited

	<u>AS AT</u> <u>31.03.2004</u> <u>Rupees</u>	<u>AS AT</u> <u>31.03.2003</u> <u>Rupees</u>
<u>SCHEDULE - 10</u>		
<u>LOANS AND ADVANCES :</u>		
(Unsecured, Considered Good)		
a) Advances recoverable in cash or in kind or for value to be received	52188793	38908576
b) Deposits:		
- Balance with Excise Authorities	35845	49166
- Other Deposits	19910188	22385188
Total Rs.	72134826	61342930
<u>SCHEDULE - 11</u>		
<u>CURRENT LIABILITIES & PROVISIONS :</u>		
<u>Current Liabilities :</u>		
a) Trade Creditors	42026642	33593930
b) Trade Deposits	459432	459432
c) Other Liabilities	2659610	4132698
d) Unclaimed Dividend	359350	359350
e) Advance	Nil	Nil
Total Rs.	45505033	38545410
<u>Provisions :</u>		
a) For Taxation	250000	1953500
b) For Proposed Dividend	Nil	Nil
c) For Corporate Tax on Dividend	Nil	Nil
Total Rs.	250000	1953500
<u>SCHEDULE - 12</u>		
<u>OTHER INCOME :</u>		
Interest on Loan	Nil	Nil
Dividend from Companies	Nil	75
Others	261000	396866
Bank Interest	189376	Nil
Profit on Sale of Investments	915000	Nil
Total Rs.	1365376	396941
<u>SCHEDULE - 13</u>		
<u>RAW MATERIAL CONSUMPTION :</u>		
Opening Stock	6018087	5019934
Add : Purchases	43724575	31959319
	49742662	36979253
Less : Closing Stock	8698814	6018087
Total Rs.	41043848	30961166

Annual Report 2003 - 2004

	<u>AS AT</u> <u>31.03.2004</u> <u>Rupees</u>	<u>AS AT</u> <u>31.03.2003</u> <u>Rupees</u>
<u>SCHEDULE - 14</u>		
<u>MANUFACTURING EXPENSES :</u>		
Labour Charges	217121	414190
Excise Duty	38658	661679
Electricity Charges	1131835	1383097
Factory Expenses	148190	44060
Testing Charges	66810	115482
<u>OFFICE AND ADMINISTRATIVE EXPENSES :</u>		
Salary, Wages, Bonus and other Benefits	3869123	3259232
Provident Fund, FPF, ADM CHGS	161525	162101
Staff Welfare	172620	274263
Directors Remuneration	480000	480000
Audit Fees	37800	34020
Office Expenses	28806	229837
Conveyance	676783	235625
Telephone Charges	516264	573162
Fees and Taxes	19000	135822
Printing and Stationery	123690	205304
Insurance Charges	915480	640760
Repairs and Maintenance	359108	382798
Legal and Professional Charges	969599	762469
Postage, Courier and Telegram	351239	214878
Maintenance Charges	-	29355
Motor Car Expenses	90041	281116
Securities Charges	229987	235440
Membership Fees	5000	8300
Miscellaneous Expenses	70983	32717
Computer Expenses	48641	89548
Service Charges	Nil	12625
Rent paid	212750	114000
Sales Tax paid	619764	417418
Research and Development Expenses	Nil	Nil
Expenses from Delhi Branch	952547	Nil
<u>SELLING & DISTRIBUTION EXPENSES :</u>		
Sales Commission	455937	594653
Vehicle Expenses	40492	253593
Travelling Expenses	1098032	943592
Advertisement	3585465	8445184
Freight, Forwarding & Octroi Charges	6986290	1936927
Art Work & Designing Charges	222773	29010
Exhibition Expenses	51500	520980
Discount	221291	85100
Demo Charges	1300	162600
Business & Sales Promotion	981440	498073
Bad Debts	Nil	618515
<u>FINANCIAL EXPENSES :</u>		
Bank Charges and Commission	225687	353410
Interest	655343	705938
Total Rs.	27038914	26576872

SCHEDULE - 15

NOTES ON ACCOUNTS

1. Significant Accounting Policies :

- a) Method of Accounting :
The financial statements are prepared broadly on accrual method and based on historical cost convention.
- b) Fixed Assets and Depreciation :
 - (i) Fixed Assets are stated at cost of acquisition less accumulated depreciation.
 - (ii) Depreciation on Fixed Assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956, read with Section 205(2)(a). Depreciation in respect of addition to assets has been charged on pro-rata basis with reference to the period of use of such assets.
- c) Investments :
Investments are stated at Cost.
- d) Inventories :
 - (i) Stocks of finished goods are valued at cost or net realisable value whichever is lower. For this purpose, stocks in respect of which Excise Duty is paid are valued at cost including Excise Duty.
 - (ii) All other stocks are valued at cost.
- e) Revenue Recognition :
Sales are recognised on the despatch of goods to customers & are exclusive of Sales Tax.
- f) Debit / Credit Notes :
Debit and Credit Notes are accounted for on cash basis.
- g) Contingent Liabilities :
All Liabilities have been provided for in the accounts except liabilities of a contingent nature, or as per the terms of contract or arrangement and have been disclosed wherever necessary.
- h) Foreign Currency Transaction :
All transactions in foreign currencies are recorded on the basis of actual payment / realisation.
- i) Amortisation of Preliminary Expenses :
Preliminary expenses are amortised one tenth of the expenditure every year.

2. Contingent Liabilities :

Contingent Liabilities not provided for in respect of :

	Current Year (Rupees)	Previous Year (Rupees)
Bank Guarantee	30,10,000/-	30,10,000/-
Bill of Exchange	82,56,000/-	82,56,000/-

Note : A Bill of Exchange accepted on 17.11.96 for Rs. 82,56,000/- was dishonoured and the matter is in litigation with DRAT.

- 3. Sundry Creditors, Sundry Debtors, Trade Deposits received, Loans and Advances, Deposits paid are subject to confirmation and reconciliation, in case of some parties.
- 4. In the opinion of the Board all the Current Assets and Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise. The provisions for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.

5. Directors Remuneration :

	Current Year (Rupees)	Previous Year (Rupees)
Salary & Allowances	480000	480000
PF & Other Benefits	Nil	Nil
Total Rs.	480000	480000

Annual Report 2003 - 2004

6. Auditors Remuneration :

	Current Year (Rupees)	Previous Year (Rupees)
Audit Fees	26500	23000
Tax Audit Fees	8500	8500
Taxation Matters	Nil	Nil
Others	2500	1500
Total Rs.	37500	33000

7. The Company does not possess information as to which of its suppliers are ancillary industrial undertaking holding permanent registration certificate issued by the Directorate of the Industries of a State or Union Territory. Consequently, the liability if any, of interest which would be payable under "The interest on delayed payment to small scale and ancillary industries undertaking ordinance 1992" cannot be ascertained. However, the Company has not received any claims in respect of such interest.

8. Additional information pursuant to Schedule VI part II of the Companies Act :

	Unit	Current Year Qty.	Amount	Unit	Previous Year Qty.	Amount
a) <u>Capacity & Production</u>						
Licenced Capacity		Not Applicable				
Installed Capacity (As certified by the Management)						
Mixer Grinder	Nos.	40000		Nos.	40000	
Non-Stick	Nos.	500000		Nos.	500000	
Actual Production						
Mixer Grinder	Nos.	23256		Nos.	27335	
Non-Stick	Nos.	329050		Nos.	157760	
Other Products	Nos.	1477		Nos.	481	
b) <u>Sales</u>						
Mixer Grinder	Nos.	46124	41950296	Nos.	42286	41165130
Non-Stick	Nos.	406375	49184387	Nos.	233407	38110266
Others			13844029			13712067
Total			104978712			92987463
c) <u>Stock</u>						
Opening Stock						
Mixer Grinder	Nos.	2849	1911007	Nos.	2150	1383550
Non-Stick	Nos.	14985	1109262	Nos.	4265	423000
Others			3354506			1875504
Total			6374775			3682054
Closing Stock						
Mixer Grinder	Nos.	1565	1285592	Nos.	15650	1911007
Non-Stick	Nos.	9532	1341273	Nos.	86367	1109262
Others			2059893			3354506
Total			4686759			6374775

Jaipan Industries Limited

d) Raw Material Consumed

Plastic Body	Nos.	21996	1592368	Nos.	27335	2096073
Motors	Nos.	21996	5381023	Nos.	27336	7086036
Jars	Set	22421	3643075	Set	27335	4454294
Blades	Set	21996	507635	Set	77335	1953114
Aluminium Circle	Kgs.	100334	11250131	Kgs.	45001	5438533
Nonstick Paint	Ltrs.	6303	3898000	Ltrs.	3127	2184759
Others			-			7748359
Total			26272232			30961169

e) Purchases

Mixer Grinder	Nos.	21584	15089986	Nos.	15650	11371299
Non-Stick	Nos.	71872	10101347	Nos.	86367	12421994
Others			6050304			10083277
Total			31241637			33876570

f) Consumption of Raw Materials

	Current Year Consumption		Previous Year Consumption	
	% to Total	Rupees	% to Total	Rupees
Raw Material :				
Imported	Nil	Nil	Nil	Nil
Indigenous	100.00	26272232	100.00	30961169
Total	100.00	26272232	100.00	30961169

g) Expenditure in Foreign currency

	Current Year Rupees	Previous Year Rupees
CIF Value of Import	974278	312000
Travelling	478470	Nil
Total	1452748	312000

h) Earnings in Foreign currency

	Current Year Rupees	Previous Year Rupees
FOB Value of Export	41698420	22295603
Total	41698420	22295603

9. The Previous period's figures have been re-grouped and re-arranged whenever necessary to conform to the classification adopted for current year.

10. During the year Palghar Factory sold (which is closed earlier).

Annual Report 2003 - 2004

11. Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

Registration No.	:	13188
State Code	:	11
Balance Sheet Date	:	31st March, 2004

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

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands) :

Total Liabilities	:	149949
Total Assets	:	149949

Sources of funds :

Paid-up Capital	:	60998
Reserves and Surplus	:	33833
Secured Loans	:	8848
Unsecured Loans	:	Nil

Application of funds :

Net Fixed Assets	:	20209
Investments	:	191
Net Current Assets	:	83795
Miscellaneous Expenditure	:	0
Accumulated losses	:	Nil

IV. Performance of Company (Amount in Rs. Thousands) :

Turnover	:	62858
Total Expenditure	:	103177
Profit / (loss) before tax	:	-40319
Profit / (loss) after tax	:	1552
Earnings per share in Rs.	:	0.25
Dividend Rate %	:	Nil

V. Generic names of three principal products / services of the Company: (As per monetary terms)

Item Code No. (ITC Code)	:	Not easily available
Product Description	:	Mixer Grinder, Juicer, Iron, Ceiling Fan, Non-Stick Items, Tava-Kadai, Frying Pan, Washing Machine, Camera, Cordless Phone, Roti Makers, Gas Stoves, Flasks, Tea / Coffee Makers, Pager, Emergency Light, Tea Kettle, Popcorn Machine, Hair Dryer, Fan etc.

AS PER OUR ATTACHED REPORT OF EVEN DATE
For **ASHOK K. LOHIYA & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ASHOK K. LOHIYA
(PROPRIETOR)

J. N. AGARWAL
(MANAGING DIRECTOR)

ATIN J. AGARWAL
(DIRECTOR)

PLACE : MUMBAI
DATED : 3rd September, 2004

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

	<u>31.03.2004</u>		<u>31.03.2003</u>
	<u>Rupees</u>		<u>Rupees</u>
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT BEFORE TAX & EXTRA-ORDINARY ITEMS	1,802,075		1,400,819
ADD :			
DEPRECIATION	3,105,230		3,546,030
INTEREST & FINANCE CHARGES	881,030		1,059,348
LOSS ON SALE OF FIXED ASSETS	Nil		Nil
PRELIMINARY EXPENSES WRITTEN-OFF	25,512	4,011,772	27,868
	<u>5,813,847</u>		<u>4,633,246</u>
DEDUCT :			
INTEREST INCOME	189,376		Nil
DIVIDEND INCOME	Nil	189,376	Nil
	<u>5,624,471</u>		<u>6,034,065</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			6,034,065
DEDUCT :			
INCREASE IN TRADE & OTHER RECEIVABLES	(3,723,201)		(8,169,441)
	<u>9,347,672</u>		<u>14,203,506</u>
ADD: INCREASE IN TRADE PAYABLES	6,959,623		(5,631,156)
DECREASE IN INVENTORIES	(593,854)	6,365,769	(4,003,060)
	<u>15,713,441</u>		<u>4,569,290</u>
CASH FROM OPERATIONS			4,569,290
DEDUCT :			
INTEREST & FINANCE CHARGES	881,030		1,059,348
DIRECT TAXES PAID	2,245,371	3,126,401	Nil
	<u>12,587,039</u>		<u>3,509,942</u>
CASH INFLOW FROM OPERATING ACTIVITIES (A)			3,509,942
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :			
OUTFLOW :			
ACQUISITION OF FIXED ASSETS	1,888,786		2,504,184
INFLOW :			
SALE OF FIXED ASSETS	443,000		1,638,299
SALE OF INVESTMENTS	Nil		Nil
DIVIDEND RECEIVED	Nil		Nil
INTEREST INCOME	189,376	632,376	Nil
	<u>1,256,410</u>		<u>1,638,299</u>
NET CASH OUTFLOW/(INFLOW) FROM INVESTING ACTIVITIES (B)			(865,885)

Annual Report 2003 - 2004

C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :

OUTFLOW :

REPAYMENT OF LOAN		Nil
INCREASE IN LOAN & ADVANCES	10,791,896	4,097,823
DIVIDEND & CORPORATE DIVIDEND TAX	Nil	Nil
BANK BORROWING & WORKING CAPITAL	Nil	Nil

INFLOW :

SECURED LOANS	(381,872)	(2,586,799)
UNSECURED LOAN	515,000	
NET CASH OUTFLOW/(INFLOW) IN CASE OF FINANCING ACTIVITIES (C)	<u>(10,658,768)</u>	<u>(6,684,622)</u>
NET INCREASE/(DECREASE) IN CASH/ CASH EQUIVALENT (A + B + C)	671,862	(4,040,565)
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	5,221,052	9,261,619
CASH & CASH EQUIVALENT AT THE CLOSE OF THE YEAR	5,892,914	5,221,054

FOR AND ON BEHALF OF THE BOARD

J. N. AGARWAL

(Chairman & Managing Director)

AUDITORS' CERTIFICATE

WE HAVE VERIFIED THE ATTACHED CASH FLOW STATEMENT OF JAIPAN INDUSTRIES LIMITED DERIVED FROM THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2004, AND FOUND THE SAME TO BE DRAWN IN ACCORDANCE THEREWITH, AND ALSO WITH THE REQUIREMENT OF CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES.

FOR **ASHOK K. LOHIYA & ASSOCIATES**
CHARTERED ACCOUNTANTS

ASHOK K. LOHIYA
(PROPRIETOR)

PLACE : MUMBAI
DATED : 3rd September, 2004

Jaipan Industries Limited

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

ANNUAL GENERAL MEETING 2003-2004

PROXY FORM

I/We _____ of _____
in the district _____ of being a Member/Members of
Jaipan Industries Limited hereby appoint Shri _____ of _____
_____ in the district of _____ or failing him
Shri _____ of _____
_____ in the district of _____

as my / our Proxy to attend and vote for me / us and on my / our behalf at the 38th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 28th September, 2004 at 17, Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai 400 063 at 2.00 p.m.

Signed this _____ day of _____, 2004.

Regd. Folio No. _____

Signature _____

No. of Shares held _____

Please
affix Re. 1/-
Revenue
Stamp

Note : The proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. A proxy need not be a member of the Company.

CUT HERE

Jaipan Industries Limited

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

ANNUAL GENERAL MEETING 2003-2004

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

Name & Address of the Shareholder

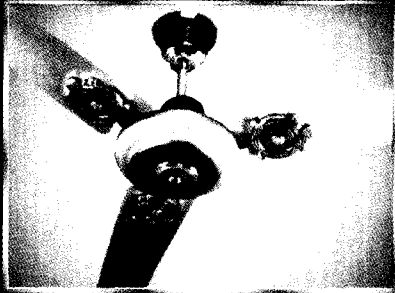
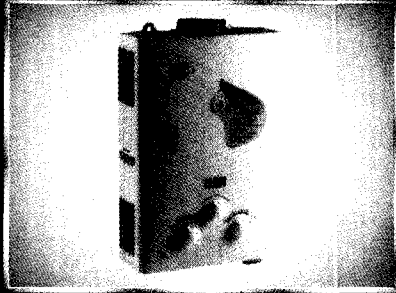
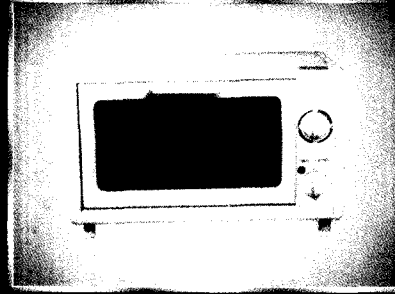
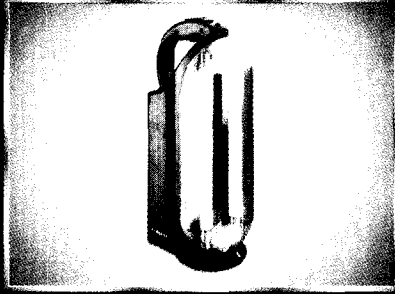
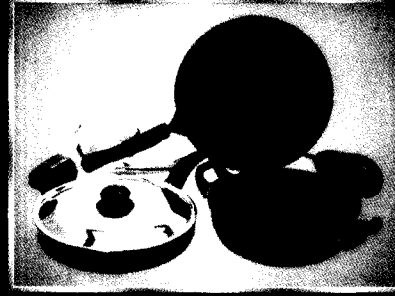
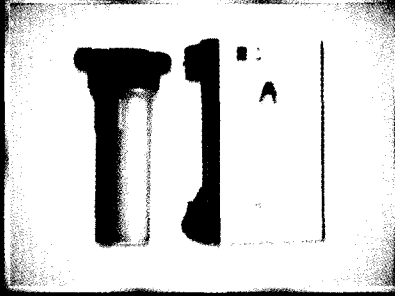
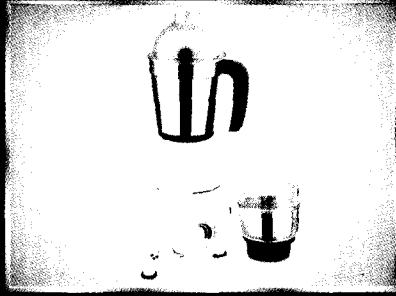
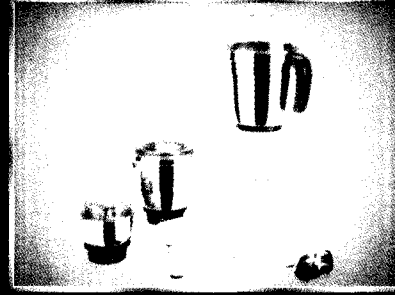
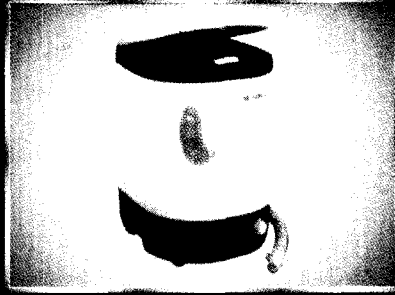
Regd. Folio No. _____

No. of Shares held _____

I hereby record my presence at 38th ANNUAL GENERAL MEETING of the Company on Tuesday, the 28th September, 2004 at 17, Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai 400 063 at 2.00 p.m.

SIGNATURE OF MEMBER

THE ATTENDING PROXY _____



BOOK - POST

Designed, Processed & Printed by SRI DATA FORMS Tel. : 022-56779081 82, 83, 84

If undelivered, please return to :

JAIPAN INDUSTRIES LIMITED

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