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41st
Annual Report 2006-2007



For JAIPAN INDUSTRIES LTD.


Authorised Signatory

Jaipan Industries Limited

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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
4/3, Sonal Apartment, Sonawala Cross Road No. 1,
Goregaon (E), Mumbai - 400 063.

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 41st ANNUAL GENERAL MEETING OF THE MEMBERS OF JAIPAN INDUSTRIES LIMITED WILL BE HELD ON SATURDAY, 29th SEPTEMBER, 2007, AT 11.00 A.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, 2007, Profit and Loss Account for the year ended 31st March, 2007 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shirish Gotecha, 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 authorise 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 : 1st September, 2007.

Registered Office :

17, Cama Industrial Estate,
Walbhatt 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. 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.

3. The relative explanatory statement, pursuant to section 173(2) of the Companies Act, 1956 relating to the business under item No. 5 & 6 is annexed hereto.
4. The Register of Members and Share transfer Books of the Company, will remain closed from 24th October, 2007 to 31st October, 2007 (both days inclusive).
5. 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 certificates, to enable the Company to consolidate holding in one folio.
6. Consequent upon the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 which came into force w.e.f. 31st October, 1998, the Company would be obliged to transfer any money lying in the Unpaid Dividend Account which remain unpaid or unclaimed for a period of 7 years from the date of such transfers, to the Investor Education Protection Fund. The details of remaining unpaid or unclaimed dividend for the subsequent years are as under :

Date of Declaration	Amount (Rs.)	Due Date
11-10-2000	Rs. 3,59,040.00	10-10-2007

7. 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.
8. 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.

9. 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. Arjun Singh Mehrotra
Age : 66 years
Qualification : B. Com.
Expertise : Business Administration
Date of appointment : 27th March, 2002.

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ii) Item No. 3 of the Notice :

Name : Mr. Ashwini O. Sharma
Age : 51 years
Qualification : B. A.
Expertise : Management
Date of appointment : 25th March, 2002.

iii) Item No. 5 of the Notice :

Name : Mr. J. N. Agarwal
Age : 52 years
Qualification : B. Com.
Expertise : Business Administration
Date of appointment : 1st April, 1999.

iv) Item No. 6 of the Notice :

Name : Mr. Atin Agarwal
Age : 29 years
Qualification : B. Com.
Expertise : Business Administration
Date of appointment : 1st September, 1999.

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

J. N. AGARWAL
(Chairman & Managing Director)

Place : Mumbai

Dated : 1st September, 2007.

Registered Office :

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

DIRECTORS' REPORT

To,
The Members of
JAIPAN INDUSTRIES LIMITED

The Directors have pleasure in presenting the 41st Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

The highlights of the Financial Results are :

	31-03-2007	31-03-2006
	(Rs. In '000')	
Sales & Other Income	170258	148758
Net Profit for the year	2237	902
Less : Provision for Tax	700	500
Add : Provision for Deffered Tax	331	Nil
Total	1868	1402
Less : Bonus issued	-	-
Profit carried to Balance Sheet	1868	1402

2. DIVIDEND

Your Board of Directors does not recommend any dividend for the financial year ended 31st March, 2007.

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 the 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. Shirish Gotech, Director of the Company retires by rotation, and being eligible, offers themselves 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, 2007, the applicable accounting standards had been followed alongwith 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, 2006 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, 2006 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 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 report.

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".

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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.

For and on behalf of the Board of Directors

JAIPAN INDUSTRIES LIMITED

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

Place : Mumbai

Dated : 1st September, 2007

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, 2006.

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

Particulars	2006-07	2005-06
Units Purchase (KWH in Lakhs)	1.50	1.62
Total Amount (Rs. in Lakhs)	8.27	8.91
Average Rate per unit (Rs./Unit)	5.50	5.50

B. Consumption per unit of production

Particulars	2006-07 Per Unit	2005-06 Per Unit
Electricity (KWH)	1.32	1.23

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

Particulars	2006-05 In Lakhs	2005-06 In Lakhs
The Company had earned Foreign Exchange as under on (C & F Basis):		
1) On its Direct Exports	404.94	231.81
2) On its Exports as Supporting Manufacturer	Nil	Nil
The Foreign Exchange outgoing is as under		
1) Travelling	0.48	Nil
2) Bank Charges	0.86	0.78
3) Imports of Raw Materials	Nil	49.45

For and on behalf of the Board of Directors

J. N. AGARWAL

(Chairman & Managing Director)

Place : Mumbai

Dated : 1st September, 2007

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 details of the Board of Directors of the Company are given below :

Director	Brief Resume	Total No. of Committee Membership held (excluding in private companies)	Total No. of Committee Chairmanship held (excluding in private companies)	Total No. 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				
J. N. Agarwal	B. Com	None	None	None
Atin J. Agarwal	B. Com	None	None	None

A. 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.

B. 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. Seven Board meetings were held during the period 31st March, 2007. They were held on 30th April, 2006, 31st July, 2006, 10th October, 2006, 31st October, 2006, 31st October, 2007, 7th November, 2005, 1st December, 2006 & 31st January, 2007. The attendance record of all directors is as under :

Name of Director	No. of meetings attended	Attendance at last AGM
J. N. Agarwal	7	Yes
Atin J. Agarwal	7	Yes
Shirish Gotecha	7	Yes
Ashwini O. Sharma	7	Yes
Arjun Singh Mehrotra	7	Yes

C. Code of conduct

The Board of Directors has adopted the code of conduct & responsibilities of the Board towards the company in the Board Meeting.

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II. REMUNERATION OF DIRECTORS

The primary role of the Remuneration Committee is to determine and recommended to the Board the compensation to the directors. The details of remuneration paid to the Directors for the year ended 31.03.2007 are specified below :

Remuneration as per accounts for the year ended 31st March, 2007

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 2007, the Audit Committee met Four times. On 30.04.2006, 31.07.2006, 31.10.2006, 31.01.2007. The attendance during the year is as under :

Name of the Member	Designation	No. of meetings attended
Shirish Gotecha	Chairman	4
Ashwini O. Sharma	Member	4
Arjun Singh Mehrotra	Member	4

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 2007 Remuneration Committee does not met.

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, Superannuation and Gratuity. The Non-Executive Directors do not draw any remuneration from the Company except commission and sitting fees. 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.

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 : 29th September, 2007 at 11.00 a.m.

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

2. Book Closure Date : 24th October, 2007 to 31st October, 2007

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 30th June, 2006	By end of 31st July, 2006
Quarter ending 30th September, 2006	By end of 31st October, 2006
Quarter ending 31st December, 2006	By end of 31st January, 2007
Quarter ending 31st March, 2007	By end of 30th April, 2007

Jaipan Industries Limited

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'06	0.93*	0.72
May'06	1.28*	0.83
June'06	1.10*	0.74
July'06	0.90*	0.64
August'06	1.17*	0.63
Sepetmber'06	0.96*	0.78
October'06	1.07*	0.86
November'06	1.54*	1.12
December'06	N.T.	N.T.
January'07	18.72	13.25
February'07	16.27	11.96
March'07	12.95	9.90

* 1/- Paid up.

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, 2007.**

Range of Shares	No. of Shareholders	% of Shareholdings	Share Amount (In Rs.)
1 - 2500	1681	47.99	2468250
2501 - 5000	663	18.93	2905880
5001 - 10000	486	13.87	3855530
10001 - 20000	475	13.60	6347000
20001 - 30000	66	1.88	1663210
30001 - 40000	17	0.49	625700
40001 - 50000	25	0.71	1176950
50001 - 100000	40	1.14	2983150
1,00,000 & above	50	1.43	38972730
TOTAL	3503	100.00	60998400

11. **Category of Shareholdings as on 31st March, 2007.**

Category	No. of Shares	% of total shares
Promoters & their relatives	2049192	33.59
Persons acting in concert	-	-
Mutual Funds & UTI	-	-
Banks/ FIs/Insurance Co. (Central/ State Govt./Non- Govt. Institutions)	84,000	1.38
Foreign Institutional Investors	-	-
Corporate Bodies	1189184	19.50
NRIs/OCBs	7451	0.12
Indian Public	2668527	43.75
Others (clearing member)	101486	1.66
Total	6099840	100.00

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12. Dematerialisation of shares and liquidity

24.73% of total Equity Capital is in dematerialised form with NSDL as on 31st March, 2007.

20.19% of total Equity Capital is in dematerialised form with CDSL as on 31st March, 2007.

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.

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
2003-04	AGM	Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai - 400 063.	28th September, 2004	2.00 p.m.
2004-05	AGM	Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai - 400 063.	30th September, 2005	2.00 p.m.
2005-06	AGM	Cama Industrial Estate, Walbhatt Road, Goregaon (E), Mumbai - 400 063.	30th September, 2006	10.00 a.m.

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 : 1st September, 2007

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, 2007 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, 2007.

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 : 1st September, 2007

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, 2007, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility is to express an opinion on these financial statement based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. 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, 2006 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, 2007.
 - 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 : 1st September, 2007

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ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of the report of even date of the Auditor's to the Members of Jaipan Industries Limited on the accounts for the year ended 31st March, 2007.

1. a) The Company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets.
b) The Company has a programme of physical verification of fixed assets which in our opinion is reasonable having regards of the size of the Company & the nature of its business.
c) None of the fixed assets have been revalued during the year.
d) No substantial part of the fixed assets have been disposed off during the year.
2. a) The stock of finished goods, spare parts & raw materials have been physically verified during the year by the management. In our opinion, the frequency of verifications is reasonable.
b) The procedures of physical verification of stock followed by the management as reasonable & adequate in relation to the size of the Company & the nature of its business.
c) In our opinion, discrepancies noticed on verification between physical stock & book records are not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
3. a) The Company has granted loan to our parties covered in the register maintained under section 301 of the Companies Act 1956 (which is being updated) The maximum amount involved during the year was Rs. 276.28 Lacs sans the year-end balance of loans to such parties was Rs. 276.28 Lacs. The Company has not taken any loan from parties covered in the register maintained under section 301 of the Companies Act 1956.
b) There are no terms & condition fixed on which loans have been granted to parties listed in the register maintained under section 301 of the Companies Act 1956.
c) Hence whether the company is regular in recovering the principal amount could not be reported hereunder. As the loan granted are interest free clause for regular repayment of interest does not apply.
d) In the absence of any terms & condition it is informed to us that there is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the companies Act 1956.
4. a) In our opinion & 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 purchase of stores, raw materials including components, plant & machinery, equipment & other assets & with regard to sale of goods.
5. a) According to the information & explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956 are in the process of being updated.
b) In our opinion & according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements which are being entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- 6 The Company has not accepted any Fixed Deposits from the public during the year and therefore, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58A & 58AA or any other relevant provisions of the Companies Act 1956 & the rules framed there under does not arise.
7. The Company has an internal Audit system commensurate with its size & nature of its business.
8. 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.
9. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provided fund, investor education and protection fund, employees's state insurance, sales tax, custom duty, cess & other raw material statutory dues applicable to it. According to the information & explanations given to us, there are no undisputed amount payable in respect of wealth tax, sales tax, custom duty & cess which are outstanding as at 31st March, 2007.

Jaipan Industries Limited

- b) According to the information & explanations given to us, there are no dues of custom duty, excise duty, wealth tax & cess on account of any dispute other than disputed tax as indicated below.

Sr. No.	Name of the Statue	Nature of Dues	Forum where dispute is pending	Amount Rs. (In Lacs)
1	Maharashtra Sales Tax	Sales Tax	Appeal	6.16

10. The Company has no accumulated losses. The Company has not incurred cash loss during the loss during the financial year covered year covered by our report.
11. Based on our audit procedures & according to the information and & Explanations given to us, we are of the opinion that the Company has repayment of dues to Financial Institutions, Banks or Debenture holders subject to note.
12. The Company has not granted any loss & advances on the basis of security by way of pledge of shares, debentures & other similar securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause (XIII) of paragraph 4 of the aforesaid Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures & other investment. Accordingly, the provision of clause (XIV) of paragraph 4 of aforesaid Order are not applicable to the Company.
15. The Company has not given guarantees for loans taken by subsidiaries, joint venture companies from Bank or financial institutions.
16. The Company has not received any long term loan during the year and therefore the question of application for the purpose of which they were obtained does not arise.
17. According to the information & explanations given to us by the management, the funds raised on short term basis have not been used for loan term use & vice versa.
18. The Company has not raised any money by issue of shares during the year. Therefore, the provisions of clause (XVIII) of paragraph 4 of the aforesaid order are not applicable to the Company.
19. The Company has not issued any debentures during the year under audit. Accordingly the provisions of clause (XIX) of paragraph 4 of the aforesaid order are not applicable to the Company
20. The Company has not raised any money by way of public issue during the year. Therefore, the provisions of clause (XIX) of paragraph 4 of the aforesaid order are not applicable to the Company.
21. During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the management.

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

ASHOK K. LOHIYA
(Proprietor)

PLACE : MUMBAI
DATED : 1st September, 2007

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BALANCE SHEET AS AT 31ST MARCH, 2007

	SCHEDULE	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
LIABILITIES			
SOURCES OF FUNDS :			
1. SHARE HOLDERS' FUNDS :			
a) Share Capital	1	60998400	60998400
b) Reserves and Surplus	2	37281033	35932018
		<u>98279433</u>	<u>96930418</u>
2. LOAN FUNDS :			
a) Secured Loans	3	21024488	19298196
b) Unsecured Loans	4	3479500	3091585
		<u>24503988</u>	<u>22389781</u>
Total Rs.		<u>122783421</u>	<u>119320199</u>
APPLICATION OF FUNDS :			
3. FIXED ASSETS :	5		
a) Gross Block		53057561	51797603
b) Less : Depreciation		36368951	33840600
c) Net Block		16688611	17957003
d) Capital Work in progress		Nil	Nil
		<u>16688611</u>	<u>17957003</u>
4. INVESTMENTS	6	190500	190500
5. CURRENT ASSETS, LOANS AND ADVANCES :			
a) Inventories	7	30327694	25931600
b) Sundry Debtors	8	71974881	44434149
c) Cash and Bank Balances	9	13968596	8187805
d) Loans and Advances	10	60232431	79295519
e) Deferred Tax Assets		330838	Nil
		<u>176834440</u>	<u>157849073</u>
Less : CURRENT LIABILITIES AND PROVISIONS :	11		
Current Liabilities		70230129	55276377
Provisions		700000	1400000
		<u>70930129</u>	<u>56676377</u>
Net Current Assets	Total Rs.	<u>105904311</u>	<u>101172696</u>
6. MISCELLANEOUS EXPENDITURE :			
(To the extent not written-off or adjusted)			
Preliminary Expenses		0	0
Total Rs.		<u>122783421</u>	<u>119320199</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 : 1st September, 2007

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

J. N. AGARWAL
(MANAGING DIRECTOR)

ATIN J. AGARWAL
(DIRECTOR)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	SCHEDULE	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
INCOME :			
Sales			
Domestic		125380638	125030386
Export		40493848	23181426
Gross Sales		<u>165874486</u>	148211812
Other Income	12	4384098	545783
Closing Stock		24120163	20794556
Material lost in Flood			4028705
Total Rs.		<u><u>194378747</u></u>	<u><u>173580857</u></u>
EXPENDITURE :			
Opening Stock		20794556	9942200
Raw Material Consumed	13	12571153	23323526
Purchases		123067354	102786060
Manufacturing & Other Expenses	14	32930971	29896585
Material lost in Flood			4028705
Depreciation		2777078	2702156
		<u>192141112</u>	<u>172679232</u>
Net Profit for the year		2237635	901625
Less : Provision for Taxation Including FBT		700000	500000
Add : Deferred Tax Assets		330838	Nil
		<u>1868473</u>	<u>401625</u>
Less : Short Provision for Income Tax		519458	Nil
Profit carried to Balance Sheet.		<u>1349015</u>	<u>401625</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 : 1st September, 2007

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

J. N. AGARWAL
(MANAGING DIRECTOR)

ATIN J. AGARWAL
(DIRECTOR)

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

	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE - 1		
SHARE CAPITAL :		
AUTHORISED :		
61,00,000 Equity Shares of Rs.10/- each (Previous year 30,50,000 Equity Shares of Rs. 10/- each)	61000000	61000000
ISSUED, SUBSCRIBED AND PAID-UP :		
6,09,98,400 Equity Shares of Rs. 1/- each fully paid up	60998400	60998400
Total Rs.	60998400	60998400
SCHEDULE - 2		
RESERVES AND SURPLUS :		
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.	27637884	26288869
Total Rs.	37281033	35932018
SCHEDULE - 3		
SECURED LOANS :		
Cash Credit from Bank of Baroda (Secured by Hypothecation of Stocks of Raw Material, Semi-finished and finished Goods)	17211189	17700623
Other secured loan from finance cos., (against hypothecation of vehicles)		
HDFC Bank (Car Loan)	623638	989989
Kotak Mahindra (Car Loan)	195852	268836
HDFC Bank (Car Loan)	83700	172800
ICICI Bank (Car Loan)	Nil	165948
HDFC Bank (Car Loan)	489373	Nil
HDFC Bank (Car Loan)	492536	Nil
Kotak Mahindra	1928200	Nil
Total Rs.	21024488	19298196
SCHEDULE - 4		
UNSECURED LOANS :		
Total Rs.	3479500	3091585
Total Rs.	3479500	3091585

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

FIXED ASSETS	GROSS BLOCK (Rs.)			DEPRECIATION (Rs.)			NET BLOCK (Rs.)	
	AS ON 01.04.2006	ADDITION (DEDUCTION) DURING THE YEAR	AS ON 31.03.2007	UP TO 01.04.2006	FOR THE PERIOD	AS ON 31.03.2006	UP TO 31.03.2007	AS ON 31.03.2006
1. Free Hold Land	1110000.00	-	1110000.00	-	-	-	1110000.00	1110000.00
2. Factory Building	14271424.00	311268.00	14582692.00	8338728.16	606242.46	8944970.62	5637721.38	5932695.84
3. Factory Premises	362475.00	(362475.00)						
4. Plant & Machinery	8268777.00	123066.89	8391843.89	5144598.84	448963.68	5593562.52	2798281.37	3124178.16
5. Moulds & Dies	12509914.20	20000.00	12529914.20	9241332.01	458440.55	9699772.56	2830141.64	3268582.19
6. Motor Vehicles	9213867.00	1022929.00	10236796.00	6184363.38	940615.32	7124978.70	3111817.30	3029503.62
7. Furniture & Fixtures	2813242.35	42932.00	2856174.35	2105037.24	133412.97	2238450.21	617724.14	708205.11
8. Computers	1650352.90	93250.00	1743602.90	1411492.58	127427.47	1538920.05	204682.85	238860.32
9. Office Equipment	1394125.00	10000.00	1404125.00	979670.29	57894.23	1037564.52	366560.48	414454.71
10. Motor Cycle	202413.00	-	202413.00	186650.59	4080.89	190731.48	11681.52	15762.41
GRAND TOTAL	51796590.45	1260970.89	53057561.34	33591873.09	2777077.55	36368950.64	16688610.70	17842242.36

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	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
<u>SCHEDULE - 6</u>		
INVESTMENTS :		
i) Share of Malad Co-operative Bank	500	500
ii) Investment	190000	190000
Total Rs.	190500	190500

	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
<u>SCHEDULE - 7</u>		
INVENTORIES :		
(As taken valued and Certified by the Management)		
Raw Materials (At Cost)	6207530	5137044
Finished Goods (At Lower of Silvassa Cost or Market Mumbai Value) Delhi	24120164	20794556
Total Rs.	30327694	25931600

	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
<u>SCHEDULE - 8</u>		
SUNDRY DEBTORS :		
(Unsecured, Considered Good)		
Debts Exceeding Six Months	15872628	38692209
Other Debts	55957109	5741940
Total Rs.	71829737	44434149

	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
<u>SCHEDULE - 9</u>		
CASH AND BANK BALANCES :		
Cash in hand	3096518	1476577
Balance with Scheduled Bank	872078	711228
In Fixed Deposit Account	10000000	6000000
Total Rs.	13968595	8187805

Jaipan Industries Limited

	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
<u>SCHEDULE - 10</u>		
LOANS AND ADVANCES :		
(Unsecured, Considered Good)		
a) Advances recoverable in cash or in kind or for value to be received	50853171	61278367
b) Deposits :		
- Balance with Excise Authorities	35845	35845
- Other Deposits	9343415	17981307
Total Rs.	66232431	79295519
<u>SCHEDULE - 11</u>		
CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities :		
a) Trade Creditors	67544474	51845351
b) Trade Deposits	584432	559432
c) Other Liabilities	1596728	2512244
d) Unclaimed Dividend	359350	359350
e) Advance	Nil	Nil
Total Rs.	70084984	55276377
Provisions :		
a) For Taxation	700000	1400000
Total Rs.	700000	1400000
<u>SCHEDULE - 12</u>		
OTHER INCOME :		
Insurance Claim Received	1769122	Nil
Rent Received	150700	145500
Bank Interest	122904	171283
Duty Drawback	790000	229000
Profit on Sale of Investments	1551372	Nil
Total Rs.	4384098	545783
<u>SCHEDULE - 13</u>		
RAW MATERIAL CONSUMPTION :		
Opening Stock	5137044	11265038
Add : Purchases	13641639	17195532
	18778683	28460570
Less : Closing Stock	6207530	5137044
Total Rs.	12571153	23323526

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	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
<u>SCHEDULE - 14</u>		
MANUFACTURING EXPENSES :		
Labour Charges	1655538	1177580
Electricity Charges	827333	890830
Factory Expenses	243140	184401
Testing Charges	188934	225140
OFFICE AND ADMINISTRATIVE EXPENSES :		
Salary, Wages, Bonus and other Benefits	4850059	4311769
Provident Fund, FPF, ADM CHGS	141924	106850
Staff Welfare	371125	398435
Directors Remuneration	480000	480000
Audit Fees	37500	37500
Office Expenses	212510	589475
Conveyance	609133	625524
Telephone Charges	566662	602025
Printing and Stationery	343049	618065
Insurance Charges	821044	1503418
Repairs and Maintenance	311793	257797
Legal and Professional Charges	592141	572726
Postage, Courier and Telegram	561397	216273
Motor Car Expenses	432850	530323
Securities Charges	180029	196340
Miscellaneous Expenses	30685	4500
Computer Expenses	49240	71396
Rent paid	114000	114000
Sales Tax paid	331448	1250103
Donation	725000	563902
Expenses from Delhi Branch	368875	1322585
Expenses from Parwano Branch		447752
SELLING & DISTRIBUTION EXPENSES :		
Sales Commission	2137768	1673693
Travelling Expenses	839058	677817
Advertisement	3285127	2378928
Freight, Forwarding & Octroi Charges & Transport	3534654	4152192
Art Work & Designing Charges	98515	93721
Discount	281359	164923
Demo Charges	230400	158960
Business & Sales Promotion	554308	292403
Bad Debts	36987	1726030
Contigent Liabilities (BOI)	5837000	Nil
FINANCIAL EXPENSES :		
Bank Charges and Commission	319901	312707
Interest	730485	966502
Total Rs.	32930971	29896585

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.
 - (iii) During the year due to heavy flood company has a material loss of Rs. 14,26,965/- and it has been duly deducted from the stock.
- e) Revenue Recognition :
Sales are recognised on the despatch of goods to customers & are inclusive 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 Nil.

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	Nil	82,56,000/-

Note : A bills of exchange for Rs. 82,56,000/- disputed with Bank of India, has been settled for Rs. 58,37,000/- and has been charged to Profit & Loss A/c. for the year under Audit. Accordingly matter pending with DART has been settled.

3. Sundry Creditors, Sundry Debtors, Trade Deposits received, Loans & 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

Jaipan Industries Limited

b) Sales						
Mixer Grinder	Nos.	65873	65508883	Nos.	62322	56399995
Non-Stick	Nos.	424273	77070431	Nos.	435534	55357564
Others			23295172			36454253
Total			<u>165874486</u>			<u>148211812</u>
c) Stock						
Opening Stock						
Mixer Grinder	Nos.	11768	6459473	Nos.	2470	2594334
Non-Stick	Nos.	26461	3752892	Nos.	14238	2337408
Others			10582191			5670777
Total			<u>20794556</u>			<u>10602519</u>
Closing Stock						
Mixer Grinder	Nos.	10707	5487449	Nos.	11768	6459473
Non-Stick	Nos.	35283	5565209	Nos.	26461	3752892
Others			13067505			10582191
Total			<u>24120163</u>			<u>20794556</u>
d) Raw Material Consumed						
Plastic Body	Nos.	Nil	Nil	Nos.	2758	162743
Motors	Nos.	Nil	Nil	Nos.	2652	480640
Jars	Set	Nil	Nil	Set	2641	277305
Blades	Set	Nil	Nil	Set	2623	39377
Aluminium Circle	Kgs.	40039	5286985	Kgs.	113275	8692273
Nonstick Paint	Ltrs.	3115	2273762	Ltrs.	6242	3888642
Others			5010406			9782545
Total			<u>12571153</u>			<u>23323525</u>
e) Purchases						
Mixer Grinder	Nos.	64812	48844445	Nos.	68914	43065021
Non-Stick	Nos.	353959	55692327	Nos.	187364	38770172
Others			18469304			20950867
Total			<u>123006076</u>			<u>102786060</u>
f) Consumption of Raw Materials						
		Current Year			Previous Year	
		Consumption			Consumption	
		% to Total	Rupees		% to Total	Rupees
Raw Material :						
Imported		-	-		21.20	4945096
Indigenous		100.00	12571153		78.80	18378429
Total		100.00	<u>12571153</u>		100.00	<u>23323525</u>
g) Expenditure in Foreign currency						
		Current Year			Previous Year	
		Rupees			Rupees	
CIF Value of Import						4945096
Travelling			Nil			Nil
Total			<u>Nil</u>			<u>4945096</u>
h) Earnings in Foreign currency						
		Current Year			Previous Year	
		Rupees			Rupees	
FOB Value of Export			40493848			23181426
Total			<u>40493848</u>			<u>23181426</u>

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

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

I. Registration Details :

Registration No.	:	13188
State Code	:	11
Balance Sheet Date	:	31st March, 2007

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	:	194568
Total Assets	:	194568

Sources of funds :

Paid-up Capital	:	60998
Reserves and Surplus	:	38081
Secured Loans	:	21024
Unsecured Loans	:	Nil

Application of funds :

Net Fixed Assets	:	16689
Investments	:	191
Net Current Assets	:	106704
Miscellaneous Expenditure	:	0
Accumulated losses	:	Nil

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

Turnover	:	165874
Total Expenditure	:	158608
Profit / (loss) before tax	:	7266
Profit / (loss) after tax	:	2338
Earnings per share in Rs.	:	0.44
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 Machines, 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 : 1st September, 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	31.03.2007 Rupees		31.03.2006 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :			
NET PROFIT BEFORE TAX & EXTRA-ORDINARY ITEMS	3,237,635		901,625
ADD :			
DEPRECIATION	2,777,078	2,702,156	
INTEREST & FINANCE CHARGES	1,050,386	1,279,209	
LOSS ON SALE OF FIXED ASSETS	Nil	Nil	
PRELIMINARY EXPENSES WRITTEN-OFF	Nil	3,827,464	3,981,365
	7,065,098		4,882,989
DEDUCT :			
PROFIT ON SALES OF FIXED ASSETS	1,551,372	Nil	
INTEREST INCOME	122,904	171,283	
DIVIDEND INCOME	Nil	1,674,276	171,283
	5,390,823		4,711,706
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			
DEDUCT :			
INCREASE IN TRADE & OTHER RECEIVABLES	27,491,931		3,896,448
	(22,101,108)		815,258
ADD: INCREASE IN TRADE PAYABLES	14,808,607	20,080,969	
DECREASE IN INVENTORIES	(4,396,094)	10,412,513	4,724,362
	(11,688,595)		15,356,607
CASH FROM OPERATIONS			
	(11,688,595)		16,171,865
DEDUCT :			
INTEREST & FINANCE CHARGES	1,050,386	1,279,209	
DIRECT TAXES PAID	519,458	1,569,844	Nil
	(13,258,439)		1,279,209
CASH INFLOW FROM OPERATING ACTIVITIES (A)			
	(13,258,439)		14,892,657
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :			
OUTFLOW :			
ACQUISITION OF FIXED ASSETS	1,623,446		2,401,455
INFLOW :			
SALE OF FIXED ASSETS	362,475	Nil	
SALE OF INVESTMENTS	Nil	Nil	
DIVIDEND RECEIVED	Nil	Nil	
INTEREST INCOME	122,904	485,379	171,283
	(1,138,067)		171,283
NET CASH OUTFLOW/(INFLOW) FROM INVESTING ACTIVITIES (B)			
	(1,138,067)		(2,230,172)

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C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :

OUTFLOW :

REPAYMENT OF LOAN	Nil	Nil
INCREASE IN LOAN & ADVANCES	(19,063,088)	18,879,060
DIVIDEND & CORPORATE DIVIDEND TAX	Nil	Nil
BANK BORROWING & WORKING CAPITAL	Nil	Nil

INFLOW :

SECURED LOANS	1,726,293	5,559,207
UNSECURED LOAN	387,915	2,641,585

NET CASH OUTFLOW/(INFLOW) IN CASE OF FINANCING ACTIVITIES	(C)	<u>21,177,296</u>	<u>(10,678,268)</u>
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NET INCREASE/(DECREASE) IN CASH/ CASH EQUIVALENT (A + B + C)		<u>6,780,790</u>	<u>1,984,217</u>
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CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR		<u>8,187,805</u>	<u>6,203,588</u>
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CASH & CASH EQUIVALENT AT THE CLOSE OF THE YEAR		<u>14,968,595</u>	<u>8,187,805</u>
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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, 2007, 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 : 1st September, 2007

Jaipan Industries Limited

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

ANNUAL GENERAL MEETING 2006-2007

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 40th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 29th September, 2007 at 17, Cama Industrial Estate, Walbhath Road, Goregaon (E), Mumbai 400 063 at 11.00 a.m.

Signed this _____ day of _____, 2007.

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, Walbhath Road, Goregaon (E), Mumbai - 400 063.

ANNUAL GENERAL MEETING 2006-2007

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 _____

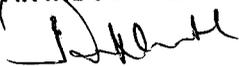
I hereby record my presence at 40th ANNUAL GENERAL MEETING of the Company on Saturday, the 29th September, 2007 at 17, Cama Industrial Estate, Walbhath Road, Goregaon (E), Mumbai 400 063 at 11.00 a.m.

SIGNATURE OF MEMBER

THE ATTENDING PROXY _____

BOOK - POST

For JAIPAN INDUSTRIES LTD.



Authorised Signatory

If undelivered, please return to :

JAIPAN INDUSTRIES LIMITED

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