

# **19<sup>th</sup> ANNUAL REPORT 2007-2008**

**JMG CORPORATION LIMITED**  
(Formerly IRPLAST ADHESIVE INDIA LIMITED)

PLEASE NOTE THAT NO GIFTS WHATSOEVER WILL BE DISTRIBUTED  
TO THE SHAREHOLDER AT THE ANNUAL GENERAL MEETING

## JMG CORPORATION LIMITED

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### BOARD OF DIRECTORS

Mr. Pramod Kumar. Nanda  
Mr. Mahendra Kumar Shah  
Mr. M.D. Gujrati  
Mr. Ritesh Kumar Gupta  
Ms. Nimmi Chanana

Chairman  
Managing Director  
Director  
Director  
Company Secretary

### BANKERS

ICICI Bank Limited  
Syndicate Bank

### AUDITORS

SSP & CO.  
CHARTERED ACCOUNTANT  
321, GARG PLAZA, PLOT NO. 11,  
BHERA ENCLAVE, PASCHIM VIHAR,  
DELHI 110 087

### REGISTERED OFFICE

Plot No. 7, Roz ka Meo, Industrial Area,  
Mewat, Haryana-122103

### STOCK EXCHANGES:

The Delhi Stock Exchange Association Limited  
DSC House, 3/1, Asaf Ali Road,  
New Delhi 110 002

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

## JMG CORPORATION LIMITED

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### NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 19<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 29<sup>th</sup> September, 2008 at 10:30 A.M. at the Registered Office of the Company at Plot No. 7, Industrial Area, Roz – Ka – Meo, Distt. Mewat, Haryana to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008, the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint SSP & Co., Chartered Accountant as statutory Auditors of the company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in place of Mr. M D Gujrati, who is liable to retire by rotation and offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ritesh Kumar Gupra, who is liable to retire by rotation and offers himself for re-appointment.

#### Special Business:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as on Ordinary Resolution:

"RESOLVED THAT Mr. Brijesh Kumar Gujrati, be appointed as a Director of the Company, in respect of whom the Company has received a notice from a member of the Company in writing under section 257 of the Companies Act, 1956"

By order of the Board  
For JMG CORPORATION LIMITED

NIMMI CHANANA  
COMPANY SECRETARY

PLACE : New Delhi  
DATE : 24th June, 2008

**JMG CORPORATION LIMITED****NOTE(S) :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/herself and that a proxy need not be a member of the company. Proxy in order to be effective must be received by the company not less than 48 hours before the scheduled time of the meeting. A blank proxy form is enclosed.
2. Corporate Members intending to send their respective authorized representative are requested to send a duly certified copy of the Board /Governing Body resolution authorizing such representative to attend and vote at the Annual General Meeting.
3. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the company on all working days except Sunday and other holiday between 11.00 A.M to 1.00 P.M.
4. Members who are holding shares in physical form are requested to notify change in their respective address or Bank detail to the Company or to the Registrar and Share Transfer Agent of the Company namely Indus Portfolio Private Limited, G 65, Bali Nagar, New Delhi 110 015 Phones: 011 25449862, 25172115 Fax: 011 - 25449863 and always quote their Folio number, DPID, client ID in all correspondence with the Company. In respect of holding in electronic form members are requested to notify any change in address or Bank detail to their respective depository participant.
5. Shareholders holding shares in the same name or in the same order of names but in several folios are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holding in one single folio.
6. Any Member desirous of obtaining any information/clarification on the enclosed Accounts should submit the query in writing at the Registered Office of the Company at least 10 days before the date of the Meeting.
7. Members/Proxies should bring attendance slips duly filled in for attending the Meeting.
8. Members/Proxies are requested to bring their copies of Annual Report with them to the Meeting, as the same will not be supplied again at the Meeting as a measure of economy.
9. Pursuant to the provisions of Section 154 of the Companies Act, 1956 and listing agreements the Register of Members and Share Transfer Books of the Company shall remain closed for two days from Friday, 26th September, 2008 to Saturday, 27th September, 2008 (both days inclusive).
10. Explanatory Statement pursuant to Section 173(2) in respect of the Special Business herein is annexed hereto and form part of this notice.

**By order of the Board**

**For JMG CORPORATION LIMITED**

Place : New Delhi  
DATE : 24th June, 2008

**NIMMI CHANANA**  
**COMPANY SECRETARY**

**EXPLANATORY STATEMENT:****In respect to Item no. 5**

The Board appointed Mr. Brijesh Kumar Gujrati, as an additional director of the Company at its meeting held on 30<sup>th</sup> July, 2008, he will hold office as Independent Director of the Company as required under the Listing Agreement. up to the date of forthcoming Annual General Meeting under section 260 of the Companies Act, 1956. Notice has been received by the Company from a Member under section 257 of the Act, proposing the appointment of Mr. Brijesh Kumar Gujrati, as Director of the Company.

None of the Directors, except Mr. Brijesh Kumar Gujrati in respect of his appointment, is interested in the resolution.

The Directors recommend this resolution to the members.

**JMG CORPORATION LIMITED****DIRECTORS' REPORT TO THE MEMBERS**

The Directors of your company are pleased to present the 19th (Nineteenth) Annual Report with Audited Accounts for the year ended 31st March, 2008.

**Financial Results**

The Company achieved sales of Rs 309 millions against Rs. 36.4 millions in the previous year. Whilst trading activity, the new business segment, has shown considerable progress, manufacturing activity remains low in view of static demand for hot-melt tapes, continuing increase in cost of materials, particularly all imported materials on which the Masking and BOPP tape products are dependent.,.

Initial expenditure relating to new trading activities was unavoidably high, leading to lower profit after tax at Rs. 3.79 millions against Rs. 7.54 millions of last year.

Your Directors foresee growth of the new business segments which will assist in achieving profitability.

**Dividend**

The Board of Directors does not recommend any dividend for the year 2007-2008.

**Public Deposits :**

The Company has not accepted any deposits including fixed deposits from the public under section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975, during the year under review.

**Directors' Responsibility Statement :**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of the accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the financial year ended 31st March, 2008.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a 'going concern' basis.

**Directors :**

Mr. M. D. Gujrati and Mr. Ritesh Kumar Gupta, Directors of the company, being longest in office retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

**Accounts and Auditors Report :**

The observations contained in the Auditor's Report are self-explanatory and do not require any explanation from Directors.

**Auditors :**

M/s. SSP & Co., Chartered Accountants, retiring auditors, retire at conclusion of ensuing Annual General Meeting and are eligible and offer themselves for reappointment

## JMG CORPORATION LIMITED

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### **Particulars of Employees :**

None of the employees are in receipt of remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, therefore no disclosure is required.

### **Conservation of energy and technology absorption and foreign exchange earning and outgo :**

The particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption and outgo in foreign exchange are enclosed as Annexure A and forming part of this report.

### **Corporate Governance :**

Your Company has followed good Corporate Governance Practices adopted by it since inception and has been complying with the code of Corporate Governance. A detailed Corporate Governance Report together with a certificate from Statutory Auditors in compliance with Clause 49 of the Listing Agreement is attached forming part of this report.

Statement pursuant to listing agreement (s):

The Company's securities are presently listed on The Stock Exchanges at Mumbai (BSE) and The Delhi Stock Exchange Association Limited (DSE). The listing fees to BSE and DSE have been paid.

Management's Discussion and Analysis in compliance with Clause 49 of the Listing Agreement forming a part of this Report is attached.

### **Acknowledgements:**

Your Directors gratefully acknowledge the co-operation, assistance and support extended by various stakeholders during the year, its employees, shareholder and Bankers and look forward to their continuing support.

**For and on behalf of Board**

Place : New Delhi  
DATE : 24th June, 2008

**P. K. Nanda**  
Chairman

**JMG CORPORATION LIMITED****ANNEXURE 'A' TO DIRECTORS' REPORT****A. Conservation of Energy**

The manufacturing process is not power-intensive in nature; nevertheless the Company has taken measures to reduce energy consumption and has installed energy efficient equipment wherever possible.

**B. Technology Absorption**

Disclosure of particulars of Technology Absorption

**i) Research and Development (R&D)**

- |   |   |                |
|---|---|----------------|
| 1. Specific Areas in which R & D carried out by the Company | : | -----N.A.----- |
| 2. Benefits derived as a results of the above R&D           | : | -----N.A.----- |
| 3. Future plan of action<br>Expenditure on R&D              | : | -----N.A.----- |
| a) Capital  | : | -----N.A.----- |
| b) Recurring  | : |                |
| c) Total R&D expenditure as a percentage of total turnover  | : |                |

**ii) Technology Absorption, Adaptation and Innovation:**

- |  |   |  |
|--|---|--|
| 1. Efforts in brief made towards technology absorption, adaptation and innovation. | : | The Imported technology of manufacturing Hot-Melt Adhesives by die extrusion process has been fully absorbed by the Company. |
| 2. Benefits derived as a result of the Above efforts                               | : | Introduction of superior quality of self adhesive tapes in the domestic market.  |
| 3. In case of Imported Technology following information may be furnished           | : |  |
| a) Technology imported   | : | BOPP films coated with hot-melt adhesives by die extrusion process.  |
| b) Year of Import  | : | Technical Collaboration agreement was effective from 1989. Commercial production commenced from 1st November, 1992.          |
| c) Has technology been fully absorbed  | : | Yes  |

**A. Foreign Exchange earning and outgo:**

Foreign exchange earnings were Rs. 1.56 Millions (Previous Year Rs. 3.48 Millions). Outgo of foreign exchange on account of Import of Raw Materials amounted to Rs 2.34 Millions (previous year Rs. 3.97 Millions).

**JMG CORPORATION LIMITED****REPORT ON CORPORATE GOVERNANCE**

The Company believes that good corporate governance helps in achieving long term corporate goals of enhancing value and stakeholders' confidence. Compliance of Corporate governance norms and ethical business practices and transparent and timely disclosure of information to all stakeholders remains its underlying principles.

1. **Philosophy of the Company on Corporate Governance**

Corporate Governance refers to a set of policies, principles, laws, rules, regulations and procedures that enable the Company to attract best financial and human resources and to perform efficiently to create and maximize the wealth of the stakeholders. Your Company is committed to uphold these concepts and practices.

2. **Board of Directors**

The constitution of Board aims at ensuring Directors commitment to participate in the affair of the Company with understanding and competence to deal with business issues.

The composition of Board of Directors as on 31st March, 2008 was as follows :

1.	Mr. P.K. Nanda	Non-executive Chairman
2.	Mr. Mahendra Kumar Shah	Managing Director
3.	Mr. Ritesh Kumar Gupta	Independent non-executive Director
4.	Mr. M.D. Gujrati	Independent non-executive Director
5.	Mr. Jagdish Das Shah	Independent non-executive Director

None of the above Directors (except Mr. P. K. Nanda) holds any membership of other Boards and Committees (Private Limited/ Foreign Companies are not considered).

The meetings of the Board of Directors were held 10 (Ten) times during the financial year. All the Directors attended all the meetings, except Mr. P. K. Nanda, who was present in Six meetings.

3. **Code of Conduct**

The Board of Directors has laid down a code of conduct for all Board members and senior management personnel of the Company. All Board members and senior management personnel have, on March 31, 2008, affirmed compliance with the code of conduct. A declaration to that effect, duly signed by the Managing Director is annexed and forms a part of this report.

4. **Board Committees**

**Audit Committee :**

For the purpose of ensuring adequacy of internal controls, efficacy of internal and statutory audits and matters specified under clause 49 (as amended) of the Listing Agreements and Section 292A of the Companies Act, 1956, the Board has constituted an audit committee comprising three non-executive Directors, Mr. M.D. Gujrati as Chairman, who is an independent non-executive Director has good financial and accounting background.

Four meetings of the Committee were held during the financial year. All members of the Committee attended all the meetings.

**Remuneration Committee :**

This Committee has been constituted for reviewing and determining remuneration, performance and related business of the management and consists of three non-executive directors Mr. Ritesh Kumar Gupta, Mr. M.D. Gujrati and Mr. P.K. Nanda as the Chairman. One meeting of the committee was held during the financial year.

**Shareholders' Matters Committee :**

This Committee addresses all issues and shareholders' complaints. It comprises Mr. P.K. Nanda as Chairman and Mr. Mahendra Kumar Shah, 4(Four) meetings were held during the year and were attended by both the members.

The Company has delegated share transfer powers to the Registrar and Share Transfer Agent, Indus Portfolio Pvt. Ltd., G-65, Bali Nagar, New Delhi 110 015.

During the year, a total 29 (Twenty Nine) complaints were received from the investors and all complaints were satisfactorily attended to and appropriate responses given.. All the transfers received during the financial year were processed by the Registrar and Share Transfer Agent and no transfers were pending.

**General Body Meeting :**

The last 3 (three) Shareholders' Meeting, all Annual General Meetings, were held at the Company's Registered Office/factory on September 15, 2007, August 17, 2006 and August 17, 2005.