

# **20<sup>th</sup> ANNUAL REPORT 2008-2009**

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

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

**JMG CORPORATION LIMITED**

**BOARD OF DIRECTORS**

Mr. Pramod Kumar Nanda	Chairman
Mr. Mahendra Kumar Shah	Managing Director
Mr. M.D. Gujrati	Independent Non-Executive Director
Mr. Ritesh Kumar Gupta	Independent Non-Executive Director
Mr. Jagdish Das Shah	Non-Executive Director
Mr. Brijesh Kumar Gujrati	Independent Non-Executive Director
Ms. Nimmi Chanana	Company Secretary

**BANKERS**

ICICI Bank Limited  
Indian Bank

**AUDITORS**

MAPASA & CO.  
Chartered Accountant  
G -184, Hari Nagar  
New Delhi - 110064

**REGISTERED OFFICE**

Plot No. 7, Roz – Ka – Meo, Industrial Area,  
Mewat, Haryana

**CORPORATE OFFICE:**

574, 2<sup>nd</sup> Floor, Main Road, Chirag Delhi  
New Delhi – 110017.

**STOCK EXCHANGES:**

The Delhi Stock Exchange Association Limited  
DSC House, 3/1, Asaf Ali Road,  
New Delhi – 110002

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

**JMG CORPORATION LIMITED****NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 20<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, 29<sup>th</sup> September, 2009 at 10:00 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, 2009, the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To re-appoint Mr. Mahender Kumar Shah, who is liable to retire by rotation and offer himself for re-appointment.
3. To re-appoint Mr. Jagdish Das. Shah, who is liable to retire by rotation and offer himself for re-appointment.

**Special Business:**

4. To consider and if thought fit to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions o section 224(2)(b) of the Companies Act, 1956 **M/s. SSP & Company**, Chartered Accountants, the retiring Auditors of the Company, not to be appointed as Auditors of the Company, as he has given the Company, a notice in writing of his unwillingness to be re-appointed.

**RESOLVED FURTHER THAT** MAPASA & CO, Chartered Accountant, New Delhi, be and is hereby appointed as the Statutory Auditors of the Company in place of M/s SSP & Co., Chartered Accountant, existing statutory auditors of the Company until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.

By order of the Board  
For JMG CORPORATION LIMITED

PLACE : New Delhi  
DATE: 30<sup>th</sup> June, 2009

NIMMI CHANANA  
COMPANY SECRETARY  
JMG Corporation Limited  
*Certified True Copy*  
  
Auth. Signatory

**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 day except Sunday and other holiday between 11.00 A.M. to 1.00 P.M.
4. A notice of unwillingness to be re-appointed as the Auditors, has been received from the existing Auditors of the Company. Accordingly, the Directors of the Company has propose to appoint M/s. MAPASA & CO Chartered Accounts, in place of retiring Auditors.
5. Members who are holding shares in physical forms 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 in all correspondence with the Company. In respect of holding in Electronic forms members are requested to notify any change in address or Bank detail to their respective depository participant.
6. 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.
7. 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.
8. Members/Proxies should bring attendance slips duly filled in for attending the Meeting.
9. 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.
10. Pursuant to the provisions of Section 154 of the Companies Act, 1956 and listing agreement the Register of Members and Share Transfer Books of the Company shall remain closed for two days from Monday, 28th September, 2009 to Tuesday, 29th September, 2009 (both days inclusive).
11. 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  
30<sup>th</sup> June, 2009

**NIMMI CHANANA  
COMPANY SECRETARY**

**Explanatory Statement pursuant to Section 173(2):****In respect to Item no. 4**

**M/s SSP & Company, Chartered Accountant**, present Statutory Auditor of the Company has given a notice of unwillingness to be re-appointment as the Auditors due to statutory compulsions. They have also informed the Company that they do not have any objection for appointing any person as Statutory Auditors of the Company from Financial year 2009-10.

The Directors commend this resolution to the members as ordinary resolution.  
None of the Directors are concerned or interested in the resolution.

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

The Directors of your Company are pleased to present the 20<sup>th</sup> (Twentieth) Annual Report with Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

**Financial Results and performance of the Company.**

The Company achieved sales of Rs. 48 Crores against Rs. 30.9 Crores in the previous year. While trading activity, the new business segment, has shown considerable progress, the manufacturing activity has remained very poor..

The manufacture of BOPP tapes seems unviable and the Company plans to make only masking tape, which had been exported for some time until the US market ceased to import. Efforts are being made to resume export activity after which some domestic market for masking tape may also be developed.

Your Directors foresee reasonable growth of the trading business segments which will assist in sustaining and growing profit of the Company.

**Trading in securities of the Company :**

As you are aware, trading in the Company's securities was suspended with BSE for considerable time. The Management has been making strenuous efforts to have the trading restored and based on discussions the Board now feels confident that BSE will revoke the suspension in the very near future.

**Dividend**

The Board of Directors does not recommend any dividend for the year 2008-2009.

**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 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 31<sup>st</sup> March, 2009.
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.

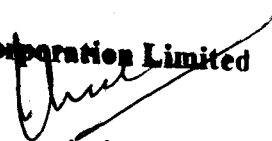
**Directors:**

Mr. Mahender Kumar Shah and Mr. Jagdish Das Shah, Directors of the company, being longest in office retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**Accounts and Auditors Report:**

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

**JMG Corporation Limited**



**Auth. Signatory**

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**JMG CORPORATION LIMITED****Auditors:**

The notice has been received from the existing Auditors that they will not wish to be re-appointed. Accordingly, the Directors of the Company propose to recommend the appointment of M/s. MAPASA & CO., Chartered Accountants, in place of the retiring Auditors. M/s. MAPASA & CO Chartered Accountants, are eligible and offer themselves for appointment as Auditors of the Company.

**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 readwith 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 which forms a part of this report.

**Corporate Governance:**

Your Company has followed good corporate governance practices since inception in accordance 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 forms a part of this report.

**Statement pursuant to listing agreement (s):**

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

The 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 co-operation and assistance and support extended by all stakeholders, employees and Bankers and look forward to their continuing support.

**For and on behalf of Board**

PLACE : New Delhi  
DATE: 30<sup>th</sup> June, 2009

**P. K. Nanda**  
**CHAIRMAN**

## 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                                    | : | -----N.A.----- |
| 4. Expenditure on R&D                                       | : |                |
| 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       | : | Non new technology has been absorbed as the Directors of the Company has decided to close the manufacturing segment of the Company. |
| 2. Benefits derived as a result of the Above efforts                     | : | N.A.<br>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. 2.43 Millions (Previous Year Rs. 1.56 Millions). Outgo of foreign exchange on account of Import of Raw Materials/Expenditure amounted to Rs 0.1 Millions (previous year Rs. 2.34 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 remain 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 31<sup>st</sup> March, 2009 was as follows:

- |                              |                                    |
|------------------------------|------------------------------------|
| 1. Mr. P.K. Nanda            | Non-executive Chairman             |
| 2. Mr. Mahendra Kumar Shah   | Managing Director                  |
| 3. Mr. Jagdish Das Shah      | Non-executive Director             |
| 4. Mr. Ritesh Kumar Gupta    | Independent non-executive Director |
| 5. Mr. M.D. Gujrati          | Independent non-executive Director |
| 6. Mr. Brajesh Kumar Gujrati | 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 meeting of the Board of Directors has held 6 (Six) times during the financial year. All the Directors have attended all the meeting.

**3. Code of Conduct**

The Board of Director 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, 2009, 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.

**Shareholders' Matters Committee:**

This Committee addresses all issues and shareholders' complaints. It comprises of 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 of 9 (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 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 Company's Registered Office/factory on September 29, 2008, September 15, 2007, August 17, 2006.