

# **21<sup>st</sup> ANNUAL REPORT**

## **2009-2010**

**JMG CORPORATION LIMITED**  
(Formerly IRPLAST ADHESIVES 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	Non Executive Chairman
Mr. Mahendra Kumar Shah	Managing Director
Mr. Ritesh Kumar Gupta	Independent Non Executive Director
Mr. Jagdish Das Shah	Non Executive Director
Mr. Brijesh Kumar Gujrati	Independent Non Executive Director
Mr. Narayan Kumar Agrawal	Independent Non Executive Director
Mr. Anil Agrawal	Independent Non Executive Director

### **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 Bombay Stock Exchange (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

### **REGISTRAR AND SHARE TRANSFER AGENT:**

Indus Portfolio Private Limited  
G-65, Bali Nagar, New Delhi-110015  
Phone: 011 –25449862

## JMG CORPORATION LIMITED

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### NOTICE OF 21<sup>ST</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 21<sup>st</sup> (Twenty First) Annual General Meeting of the Company will be held on Thursday, 30<sup>th</sup> September, 2010 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, 2010, the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
3. To re-appoint Mr. Pramod Kumar Nanda, who is liable to retire by rotation and offer himself for re-appointment.
4. To re-appoint Mr. Brijesh Kumar Gujrati, who is liable to retire by rotation and offer himself for re-appointment.

#### **Special Business:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, Mr. Anil Agrawal, who was appointed as an Additional Director in the meeting of the Board of Directors held on 23rd August, 2010, whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby, appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is here by authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution”

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution through Postal Ballot process:

**“RESOLVED THAT** pursuant to the provisions of section 293(1)(a), 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof), if any, and the Memorandum and Articles of Association of the Company, and subject to the other permission and approvals as may be required, consent of the shareholders of the Company, be and is hereby accorded to the Board of Directors of the Company for disposing off substantially in its entirety or in piecemeal the manufacturing division of the company located at Plot No. 7, Roz – Ka Meo, Industrial Area Mewat, Haryana.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby also authorized for disposing off substantially in its entirety or in piecemeal the manufacturing division of the company in a manner the Board of directors of the Company may think appropriate, with effect from such date and at such consideration and on such terms and conditions as the Board of Directors of the Company may deem fit.

## **JMG CORPORATION LIMITED**

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**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby also authorized to do all such acts, deeds, matters and things, to alter, vary, revise and modify from time to time the terms and conditions, as it may in its absolute discretion, deem necessary, expedient or desirable for the purpose of giving effect to the above resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby also authorized to settle any question, difficulties or doubts that may arise in this regard including delegation of all or any of the powers herein referred to any committee of directors and / or any director(s) and / or officer(s) as in its absolute discretion it may consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board in the best interest of the Company."

7. To consider and if thought fit to pass, with or without modification(s), the following resolutions as a Special Resolution through postal ballot process:

**"RESOLVED THAT** pursuant to the provisions of Section 146(2), 192A and any other applicable provisions, if any, of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the consent of the members of the Company be and is hereby accorded for shifting the Registered Office of the Company within the state of Haryana.

**RESOLVED FURTHER THAT** the aforesaid resolution, becoming effective, the Registered Office of the company be shifted from its present address at Plot No. 7, Roz-Ka-Meo, Industrial Area, Mewat, Haryana to such other place in the State of Haryana as may be determined by the Board of Directors of the Company from time to time.

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized, to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to delegate any or all of the aforementioned powers to any Committee of the Board or to one or more directors of the Company for giving effect to this resolution."

**By order of the Board  
For JMG CORPORATION LIMITED**

**Mahendra Kumar Shah  
Managing Director**

Place: - New Delhi  
Date: - 23.08.2010

## JMG CORPORATION LIMITED

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### 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. ***The transaction(s) at item number 6 and 7 requires consent of shareholders through postal ballot process in terms of provisions of Section 192A of the Companies Act, 1956, and passing of resolution by Companies (Passing of Resolution by Postal Ballot) Rules, 2001. The notice of Postal Ballot, Postal Ballot Form alongwith instructions are enclosed with this notice. The result of the postal ballot process will be declared at the Annual General Meeting (AGM) of the Company to be held on Thursday, 30<sup>th</sup> Day of September, 2010.***
3. 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.
4. 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 Saturday, Sunday and public holidays between 11.00 A.M. to 1.00 P.M.
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 Tuesday, 28<sup>th</sup> September, 2010 to Wednesday, 29<sup>th</sup> September, 2010 (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**

Date:- 23.08.2010  
Place:-New Delhi

**Mahendra Kumar Shah  
Managing Director**

## **JMG CORPORATION LIMITED**

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### **Explanatory Statement pursuant to Section 173(2):**

#### **In respect to Item no. 5**

Mr. Anil Agrawal was appointed as an Additional Director on the Board of the Company on 23rd August, 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Anil Agrawal holds the office upto the date of the ensuing Annual General Meeting and is eligible for appointment as Director of the Company. In this regard the Company has received Notice required under section 257 of the Companies Act, 1956, proposing the appointment of Mr. Anil Agrawal as Director of the Company. The Company has also received an amount of Rs.500/- as deposit.

Keeping in view his experience and expertise, his appointment as a Director of the Company is recommended. None of the Directors except Mr Anil Agrawal is concerned or interested in the said resolution.

The Board recommends the resolution for the approval of the Members.

#### **Item No. 6:**

There were no manufacturing activities in the company during the year despite concerted efforts by management through development and diversification within the limitations of the plant. The high cost of imported materials necessary for the plant has made it impossible to make the business viable at the prevailing and foreseen prices of products in BOPP adhesive tapes or the newly developed paper based masking tapes in competitive market place. Consequently, in the year 2009-10 no manufacturing activity was carried out. With great regret, therefore, your directors have decided to cease the manufacturing activities at the plant located at Plot No 7 Roz-ka-Meo Industrial Area, Mewat, Haryana.

In view of this, the permission of the Shareholders being sought for empowering the Board of Directors for disposing off substantially or in its entirety or piecemeal the manufacturing division of the company in the manner the Board of Directors of the Company may consider appropriate.

The Directors commend this resolution to the Shareholders as Ordinary Resolution through the postal ballot process.

None of the Directors are concerned or interested in the resolution.

#### **Item No. 7:**

The company was dealing in the manufacturing of Hot-Melt Tapes and other Adhesives items which were manufactured at the factory of the company located at its registered office at Mewat, Haryana.

Subject to the approval of Shareholders for empowering the Board of Directors for disposing off substantially or in its entirety or piecemeal the manufacturing division of the company where the registered office of the company is also located, the registered office of the company be changed to some other place.

The board of Directors of the company keeping in mind the convenience of employees, shareholders and other person interested in the affairs of the Company has proposed the shifting of the registered office of the company within the State of Haryana from Mewat to Gurgaon.

The Directors commend this resolution to the Shareholders as Special Resolution through the postal ballot process.

None of the Directors are concerned or interested in the resolution.

## JMG CORPORATION LIMITED

### DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company present the 21<sup>st</sup> (Twenty First) Annual Report with Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

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

The summarized working results for the year ended 31<sup>st</sup> March, 2010 as compared with the previous year are as under:-

Particulars	Current year 2009-2010 (Rs. In Lacs)	Previous Year 2008-2009 (Rs. In Lacs)
Net Sales & Other Income	5234.73	4849.54
Profit before depreciation and Tax	116.96	121.50
Less : Depreciation	39.30	60.67
Profit/(Loss) before Extra Ordinary Item and Tax	77.66	60.84
Profit/(Loss) before Tax	99.03	109.34
Less:		
a) Current Income Tax	15.30	7.09
b) Current Fringe Benefit Tax	NIL	1.78
Profit/(Loss) after Tax	83.73	100.47
Less : Balance, being Loss brought forward From Previous Year	154.29	254.76
<b>Balance, being Loss carried to Balance Sheet</b>	<b>70.56</b>	<b>154.29</b>

The Company has achieved a sales turnover of Rs. 52.22 Crore as against Rs. 48 Crores in the previous year, therefore, registering an annual growth of 8.79%. Trading activity has shown considerable progress. The manufacturing activity has ceased.

Your Directors foresee reasonable growth of the trading business segment which will assist in sustaining and growing profits of the Company. The Board will review if other activities, if any, can be added to the Company's business in the near future.

#### **Trading in securities of the Company:**

We are pleased to inform you that after strenuous efforts the trading in the equity shares of the Company was resumed at Bombay Stock Exchange (BSE) from August, 2009. This step will provide more liquidity in the market and ability to invest in the Company's shares through the market..

#### **Dividend**

The Board of Directors does not recommend any dividend for the year 2009-2010.

#### **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 explanations 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, 2010.
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:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pramod Kumar Nanda and Mr. Brijesh Kumar Gujrati, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment to the Board of Your Company.

## JMG CORPORATION LIMITED

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Mr. Anil Agrawal was appointed as an Additional Director of the Company with effect from 23rd August, 2010, in accordance with Section 260 of the Companies Act, 1956. The Company has received a notice in writing from a Member of the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Anil Agrawal as a Director of the Company.

Mr. M.D. Gujrati resigned from the Board of Directors with effect from 30<sup>th</sup> November 2009 due to his pre-occupation with his other professional obligations.

### **Accounts and Auditors Report:**

The observations contained in the Auditors' Report and Notes to Accounts are self-explanatory and do not require any explanations from Directors.

### **Auditors:**

M/s MAPASA & Co., Chartered Accountants, Statutory Auditors of the company shall hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Company has received intimation to this effect that their re-appointment, if made, would be within the prescribed limits of Section 224 (1) of the Companies Act 1956.

### **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 which forms a part of this report.

### **Corporate Governance:**

Your Company has followed good corporate governance practices since inception and 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.

### **Secretarial Compliance Certificate**

The Company has obtained compliance certificate from a practicing Company Secretary and the same is annexed hereto and forms part of the report.

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

The Company's securities are presently listed at The Bombay Stock Exchange Limited (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 extended by all stakeholders, employees and Bankers and look forward to their continuing support.

**For and on behalf of Board of Directors**

**Place: - New Delhi**  
**Date:- 23.08.2010**

**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                                   | : | -----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 and innovation. | : | Non new technology has been absorbed as the Company has not carried out any manufacturing activity during the financial year. |
| 2. Benefits derived as a result of the above efforts                               | : | N.A.  |
| 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   |

#### C. Foreign Exchange earning and outgo:

In the financial year 2009-10, the Foreign exchange earnings and outgo of the Company is nil, in comparison to the Previous Year foreign exchange earnings of Rs. 24.34 Lacs and foreign exchange outgo of Rs. 0.82 Lacs.

## JMG CORPORATION LIMITED

### REPORT ON CORPORATE GOVERNANCE

In the present rapidly changing business scenario, good Corporate Governance helps in accomplishing long term Corporate Goals to increase the Stakeholders' value. Corporate Governance focuses on commitment to values adhering to ethical business practices. This includes corporate structures, culture, policies and the manner in which the Corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the sound Corporate Governance.

#### **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.

The company further believes that the good and effective Corporate Governance lies in managing the business in a transparent manner, sharing the information with the shareholders and keeping overheads restricted.

The company has not given loans to directors. Accounts give adequate disclosure of transaction in which directors have been interested.

The Company is fully compliant with all the requirements of the listing agreement of the stock exchanges. The details of the Compliances are as follows:

#### **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~~ The composition of Board of Directors as on 31<sup>st</sup> March, 2010 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. Brajesh Kumar Gujrati	Independent non-executive Director
6.	Mr. Narayan Kumar Agrawal*	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).

During the year 6 (Six) meetings of the Board of Directors were held on 14<sup>th</sup> April, 2009, 30<sup>th</sup> June, 2009, 30<sup>th</sup> July, 2009, 30<sup>th</sup> October 2009, 30<sup>th</sup> November, 2009 and 29<sup>th</sup> January, 2010. None of the members of the Board were a member of more than 10 committee nor was the chairman of more than five committee across all companies where he was a director.

The Attendance record of the directors for meetings held during the financial year ended 31<sup>st</sup> March, 2010 is as under:

Name	Board Meetings Attended	Whether attended last AGM
Mr. P.K. Nanda	3	Yes
Mr. Mahendra Kumar Shah	6	Yes
Mr. Ritesh Kumar Gupta	6	No
Mr. Narayan Kumar Agrawal*	1	No
Mr. Brijesh Kumar Gujrati	2	No
Mr. Jagdish Das Shah	2	No