

22nd ANNUAL REPORT 2010-2011

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

BOARD OF DIRECTORS

| | |
|---------------------------|-------------------|
| Mr. Pramod Kumar Nanda | Chairman |
| Mr. Mahendra Kumar Shah | Managing Director |
| Mr. Ritesh Kumar Gupta | Director |
| Mr. Jagdish Das Shah | Director |
| Mr. Brijesh Kumar Gujrati | Director |
| Mr. Anil Kumar Agrawal | Director |

BANKERS

ICICI Bank Limited
Indian Bank

AUDITORS

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

REGISTERED OFFICE

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

CORPORATE OFFICE:

574, 2nd Floor, Main Road, Chirag Delhi
New Delhi –110017.

STOCK EXCHANGES:

Delhi Stock Exchange Limited
DSE House, 3/1, Asaf Ali Road,
New Delhi – 110002

The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

REGISTRAR AND SHARE TRANSFER AGENT:

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

COMPANY IDENTIFICATION No. :

L24295HR1989PLC033561

JMG CORPORATION LIMITED

NOTICE OF 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd (Twenty Second) Annual General Meeting of the Company will be held on Thursday, 29th Day of September, 2011 at 10:30 A.M. at the registered office of the Company at Plot No.7, Roz-Ka-Meo, Industrial Area, Mewat, Haryana-122103, to transact the following business:

Ordinary Business (es):

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Jagdish Das Shah, who is liable to retire by rotation and being eligible offer himself for re-appointment.
3. To appoint a director in place of Mr. Ritesh Kumar Gupta, who is liable to retire by rotation and offer himself for re-appointment.
4. To appoint M/s Andros & Co., Chartered Accounts as the Statutory Auditors of the company in place of M/s MAPSA & Co., retiring statutory auditors to hold office until the conclusion of next annual general meeting at a remuneration to be fixed by the Board of Directors of the company and consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of section 224 of the Companies Act, 1956 and any other law for the time being in force, M/s Andros & Co., Chartered Accountants, be and is hereby appointed as the statutory auditors of the company at a remuneration to be decided by the board of directors of the company"

Special Business (es) :

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be required, Mr. Mahendra Kumar Shah, be and is hereby re-appointed as the Managing Director of the Company for a period of 5 (Five) years with effect from 30.10.2011 upon such terms and conditions as may be agreed between the Board and the said appointee.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of the Managing Director, remuneration by way of salary and perquisites shall be paid as minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) or such other limits as prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT Mr. Pramod Kumar Nanda, Chairman of the Company, be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to the above said resolution.

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

Place: - New Delhi
Date : - 01/09/2011

**Sd/-
Mahendra Kumar Shah
Managing Director**

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. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, alongwith the Annual Report.
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 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 agreement the Register of Members and Share Transfer Books of the Company shall remain closed for two days from 27th Day of September, 2011 to 28th Day of September, 2011 (both days inclusive).
10. In order to communicate the important and relevant information and event to the members, including quarterly results in cost efficient manner, the members are requested to register their e-mail addresses with the Registrar & Share Transfer Agents (R&T) in case of shares held in physical form and with their respective Depository Participants (DP) in case of demat holdings.
11. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in relation to the special business of the meeting is annexed hereto and forms part of this notice.

By order of the Board
For JMG CORPORATION LIMITED

Place: - New Delhi
Date:- 01/09/2011

Sd/-
Mahendra Kumar Shah
Managing Director

JMG CORPORATION LIMITED

Explanatory Statement pursuant to Section 173(2):

In respect to Item No. 5:

Mr. Mahendra Kumar Shah, Managing Director of the Company, was appointed as the Managing Director of the company on 30th October, 2006 for a period of 5 (Five) years. His present term expires on 29th October, 2011. The Board of Directors of the Company at their meeting held on 01st September, 2011, has decided to re-appoint Mr. Mahendra Kumar Shah as Managing Director of the Company for a further period of 5 (Five) years from 30th October, 2011, subject to the approval of shareholders at the annual general meeting.

A summary of the material terms and conditions relating to the appointment of Mr. Mahendra Kumar Shah as Managing Director of the company is as follows:

- a. Functions : Mr. Mahendra Kumar Shah shall carry out, under the superintendence, direction and control of the Board of Directors of the Company, such functions, exercise such powers and performs such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to him.
- b. Remuneration: In consideration of the performance of his duties, Mr. Mahendra Kumar Shah shall be paid monthly remuneration of Rs.30,360/- or as may be varied by the Board within the said limit of Rs.30,360/-.

The Directors recommend this resolution to the Shareholders as Ordinary Resolution.

None of the Directors, except Mr. Mahendra Kumar Shah is concerned or interested in this resolution.

JMG CORPORATION LIMITED

DIRECTORS' REPORT TO THE MEMBERS

The Directors of the Company present the 22nd (Twenty Second) Annual Report of your company with Audited Accounts for the year ended 31st March, 2011.

Financial Results and performance of the Company.

The summarized working results for the year ended 31st March, 2011 as compared with the previous year are as under:-

| Particulars | Current year 2010-2011 (Rs. In Lacs) | Previous Year 2009-2010 (Rs. In Lacs) |
|---|--|---|
| Net Sales & Other Income | 5182.35 | 5234.73 |
| Profit before depreciation and Tax | 214.16 | 116.96 |
| Less : Depreciation | 41.66 | 39.30 |
| Profit/(Loss) before Extra Ordinary Item and Tax | 172.50 | 77.66 |
| Profit/(Loss) before Tax | 172.50 | 99.03 |
| Less: | | |
| a) Current Income Tax | 34.38 | 15.30 |
| b) Current Fringe Benefit Tax | NIL | NIL |
| Profit/(Loss) after Tax | 138.03 | 83.73 |
| Less :Balance, being Loss brought forward From Previous Year | 70.56 | 154.29 |
| Balance, being Profit/(Loss) carried to Balance Sheet | 67.47 | (70.56) |

The Company has achieved a sales turnover of Rs. 51.795 Crore (approx.) as against Rs. 52.23 Crore (approx.) in the previous year. The company has earned a profit of Rs. 138.03 lacs as against the profit of Rs. 83.73 lacs in the previous year.

A substantial part of the trading business will end during the current year as the distribution arrangement are being terminated by the principals for reasons of their own business. For the year 2011-12, total business will fall to a mere Rs. 15 Crore (approx.).

Your directors have been considering new business opportunities to replace the lost business and have taken some preliminary steps to add building and construction activity. It is too early to forecast the level and extent of that business that the company may achieve and indeed what further new activities may be launched. They hope that in the next twelve months the direction of the business will become clear.

Trading in securities of the Company:

The securities of the company are listed at Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. The shareholders are aware that trading in equity shares of the company was resumed at Bombay Stock Exchange Limited (BSE) from August, 2009.

Dividend

For the year under review, the director do not recommend any dividend due to uncertainties of the business referred to above.

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 or loss of the Company for the financial year ended 31st March, 2011.
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.

JMG CORPORATION LIMITED

Directors:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ritesh Kumar Gupta and Mr. Jagdish Das Shah, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Your Directors recommended their re-appointment as Director on the Board at the ensuing Annual General Meeting.

Accounts and Auditors Report:

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

Auditors:

M/s MAPSA & Co. Chartered Accountants, Statutory Auditors of the company who retire at the conclusion of the ensuing Annual General Meeting, have expressed their wish not to continue as auditors for reasons of their workload. Therefore, the Board of Directors after due consideration recommends to the shareholders appointment of M/s Andros & Co., Chartered Accountants, New Delhi, for appointment as Statutory Auditors of the Company effective from the conclusion of the next Annual General Meeting of the Company.

The Company has received their intimation to the effect that their appointment, if made, would be within the prescribed limits of Section 224 (1B) 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) Amendment Rules, 2011, 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 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 and forms 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 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 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

Sd/-

Place: - New Delhi
Date:- 01/09/2011

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 result 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. | : | No new technology has been absorbed as the Company has ceased to carry out 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 :

The foreign exchange earning and outgo of the company are as follows :

Current year (2010-11) - NIL

Previous year (2009-10) - NIL

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 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 31st March, 2011 was as follows:

| | | |
|----|---------------------------|------------------------------------|
| 1. | Mr. P.K. Nanda | 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. Brijesh Kumar Gujrati | Independent non-executive Director |
| 6. | Mr. Anil 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, 8 (Eight) meetings of the Board of Directors were held on 1st April, 2010, 7th May, 2010, 13th August, 2010, 23rd August, 2010, 13th November, 2010, 2nd December, 2010, 14th February, 2011 and 31st March, 2011. 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. All the Directors have made the requisite disclosures regarding committee positions held by them in other Companies.

Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2010-2011 and at the last Annual General Meeting (AGM), as also the number of Directorship and Committee positions held by them in other public limited companies as on March 31, 2011 are as follows:

JMG CORPORATION LIMITED

| Name | Category | Board Meetings Attended | Whether attended last AGM | No. of Directorship in other Public Limited Companies* | | No. of Committee positions held in other Public Limited Companies* | |
|-----------------------------|------------------------------------|-------------------------|---------------------------|--|--------------|--|------------------|
| | | | | Chairman of the Board | Board Member | Chairman of the Committee | Committee Member |
| Mr. P. K. Nanda | Executive Director & Chairman | 8 | No. | Nil | 1 | Nil | Nil |
| Mr. Mahendra Kumar Shah | Managing Director | 8 | Yes | Nil | Nil | Nil | Nil |
| Mr. Ritesh Kumar Gupta | Independent Non-executive Director | 8 | Yes | Nil | Nil | Nil | Nil |
| Mr. Brijesh Kumar Gujrati | Independent Non-executive Director | 1 | No | Nil | Nil | Nil | Nil |
| Mr. Jagdish Das Shah | Non-executive Director | 1 | No | Nil | Nil | Nil | Nil |
| Mr. Anil Kumar Agrawal* | Independent Non-executive Director | 1 | No | Nil | Nil | Nil | Nil |
| Mr. Narayan Kumar Agrawal** | Independent Non-executive Director | 0 | No | Nil | Nil | Nil | Nil |

Note: Excludes Directorships in Private Limited Companies, Foreign companies and Government Bodies. Only Audit Committee and Shareholders'/Investors' Grievance Committee have been considered for the committee positions.

**Mr. Anil Kumar Agrawal was appointed as additional director of the Company w.e.f. 23/08/2010 and the appointment was regularized at the Annual General Meeting held on 30/09/2010.*

***Mr. Narayan Kumar Agrawal ceased to be a director and vacated office under section 260 of the Companies Act, 1956 w.e.f. 30/09/2010.*

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 affirmed compliance with the code of conduct on March 31, 2011. A declaration to that effect, duly signed by the Managing Director is annexed and forms part of this report.

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 Directors, Mr. Anil Kumar Agrawal as Chairman (appointed as the Chairman of the committee w.e.f. 23rd August, 2010 in place of Mr. Narayan Kumar Agrawal), who is an independent non-executive Director, Mr. P.K. Nanda and Mr. Ritesh Kumar Gupta.