

# **Jai Corp LIMITED**

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**15th  
ANNUAL REPORT  
1999-2000**

## HIGHLIGHTS

|                                      | 1999-2000<br>(Rs. in lacs) | 1998-99<br>(Rs. in lacs) | 1997-98<br>(Rs. in lacs) | 1996-97<br>(Rs. in lacs) | 1995-96<br>(Rs. in lacs) |
|--------------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Sales, services & other income       | 31726.10                   | 29269.26                 | 42625.79                 | 44846.38                 | 39631.70                 |
| Depreciation                         | 1030.98                    | 1145.06                  | 1268.26                  | 1345.03                  | 1164.40                  |
| Profit before tax                    | 2187.68                    | 2084.26                  | 1214.33                  | 2336.87                  | 1499.93                  |
| Tax for the year                     | 100.00                     | 424.00                   | 304.00                   | 656.00                   | 2.50                     |
| Profit after tax                     | 2087.68                    | 1660.26                  | 910.33                   | 1680.87                  | 1497.43                  |
| Dividend (including tax thereon)     | 226.11                     | 226.13                   | 224.07                   | 225.50                   | 185.59                   |
| Plough back (including depreciation) | 2900.24                    | 2580.30                  | 1955.65                  | 2849.76                  | 2346.96                  |
| Shareholders' fund (Net worth)       | 17179.47                   | 15310.21                 | 13874.97                 | 13186.68                 | 11681.95                 |
| Debt/Equity Ratio                    | 0.00/1                     | 0.00/1                   | 0.04/1                   | 0.09/1                   | 0.23/1                   |

# JAI CORP LIMITED

15TH ANNUAL REPORT 1999-2000

## BOARD OF DIRECTORS

(As on 30th May, 2000)

J. K. Jain  
Executive Chairman

S. P. Jain  
Managing Director

Anand Jain

Virendra Jain

K. M. Doongaji

S. H. Junnarkar

R. N. Bansal

D. K. Contractor

S. Rajendran

V. S. Pandit  
Director - Works

## REGISTERED OFFICE :

A-3, M.I.D.C. Indl. Area,  
Nanded 431 603,  
Maharashtra.

## MANUFACTURING FACILITIES AT :

### 1. Packaging Divisions :

Plot No.A-2/4  
Plot No.A-2/8  
Plot No.C-2/1  
M.I.D.C., Murbad,  
Dist. Thane, Maharashtra.

Plot No.79/1, Amli Village  
Plot No.444, Masat Village  
Plot No.S.N.103/1/2, Rakholi Village  
Silvassa, [Dadra & Nagar Haveli (U.T.)]

Plot No. 481/1-2, Dabhel Village  
Daman - 396210 (U.T.)

### 2. Sipta Coated Steels Division

A-3, M.I.D.C. Indl. Area,  
Nanded 431 603, Maharashtra.

### 3. Comet Steels Division

A-4, M.I.D.C. Indl. Area,  
Nanded 431 603, Maharashtra.

## COMPANY SECRETARY

M. L. Somani

## SOLICITORS & ADVOCATES

Kanga & Company

## AUDITORS

Chaturvedi & Shah  
Chartered Accountants

## BANKERS

State Bank of India

Canara Bank

## REGISTRARS & TRANSFER AGENT

### KARVY CONSULTANTS LIMITED

- "KARVY HOUSE"  
46, Road No. 4, Street No. 1,  
Banjara Hills, Hyderabad 500 034.  
Tel.: 040-3312454/3320251/751/752  
Fax: 040-3311968
- 7, Andheri Industrial Estate,  
Off Veera Desai Road,  
Andheri (West), Mumbai 400 053.  
Tel.: 022-6267226/6269044/6271802  
Fax: 022-6290882

**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of JAI CORP LIMITED will be held on Thursday, the 10 th August, 2000 at 2 p. m. at the Registered Office of the Company at A-3, MIDC Industrial Area, Nanded -431 603 (Maharashtra) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March,2000 and Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To confirm the interim Dividend of Rs. 2.20 per equity share of Rs.10 each already paid for the year ended 31st March, 2000.
3. To appoint a director in place of Shri D.K. Contractor, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri S. Rajendran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri V.S. Pandit, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

7. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri K.M. Doongaji, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of the Fifteenth Annual General Meeting being eligible for appointment and in respect of whom Notice in writing under Section 257 of the Companies Act,1956 has been received by the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Anand Jain, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of the Fifteenth Annual General Meeting being eligible for appointment and in respect of whom Notice in writing under Section 257 of the Companies Act,1956 has been received by the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

9. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act,1956, Shri S.P. Jain be and is hereby re-appointed as Managing Director of the Company for a period of 5 years with effect from 1st October, 2000 on the terms and conditions including remuneration and minimum remuneration as set out in the Agreement to be entered in to between the Company and Shri S. P. Jain, a draft where of is placed before this meeting which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement so as not to exceed the limits specified in Sections 198,269,309 and Schedule XIII to the Companies Act, 1956 or any statutory modifications or re-enactment thereof for the time being in force, or any amendments thereto, as may be agreed to between the Board of Directors and Shri S.P. Jain.

RESOLVED FURTHER THAT the amount of remuneration to Shri S.P. Jain in a financial year shall not exceed the ceiling of 5% of the net profit of that financial year and 10% of the net profit to all such managerial personnel taken together in that financial year, as laid down in Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modifications or relaxations by the Central Government to the Schedule XIII or to any of the Sections of the Companies Act,1956,the Board of Directors be and are hereby authorized to vary or increase the remuneration within such prescribed limit or ceiling and the aforesaid Agreement between the Company and Shri S.P. Jain be suitably amended to give effect to such modifications, relaxations or variations without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act,1956, Shri J.K. Jain be and is hereby re-appointed as Managing Director designated as Executive Chairman of the Company for a period of 5 years with effect from 1st October, 2000 on the terms and conditions including remuneration and minimum remuneration as set out in the Agreement to be entered in to between the Company and Shri J.K. Jain, a draft where of is placed before this meeting which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement so as not to exceed the limits specified in Sections198,269,309 and Schedule XIII to the Companies Act, 1956 or any statutory modifications or re-enactment thereof for the time being in force, or any amendments thereto, as may be agreed to between the Board of Directors and Shri J.K. Jain.

RESOLVED FURTHER THAT the amount of remuneration to Shri J.K. Jain in a financial year shall not exceed the ceiling of 5% of the net profit of that financial year and 10% of the net profit to all such managerial personnel taken together in that financial year, as laid down in Schedule XIII to the Companies Act, 1956

RESOLVED FURTHER THAT in the event of any statutory amendment or modifications or relaxations by the Central Government to the Schedule XIII or to any of the Sections of the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary or increase the remuneration within such prescribed limit or ceiling and the aforesaid Agreement between the Company and Shri J.K. Jain be suitably amended to give effect to such modifications, relaxations or variations without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary, proper or expedient to give effect to this resolution."

11. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that in pursuance to the Directives /Guidelines issued by the Securities and Exchange Board of India and the Stock Exchange(s) from time to time, the consent of the Company be and is hereby accorded to the voluntary de-listing of the equity shares of the Company from The Stock Exchange - Ahmedabad.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary and incidental for this purpose."

12. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act,1956 and subject to all applicable provisions, if any, the Articles of Association of the Company be altered in the following manner :

At the end of the existing Article 3, the following shall be inserted viz:

(c) The Company shall have power, subject to the provisions of the Act and other applicable provisions of Law and subject to such approvals, permissions and sanctions, if any, as may be necessary to purchase, buy back, acquire or hold its own shares or other securities whether or not they are redeemable on such terms and conditions and up to such limits as may be prescribed by Law from time to time provided that nothing herein contained shall be deemed to affect the provisions of Sections 100 to 104 and 402 of the Act in so far as and to the extent they are applicable.

At the end of the existing Article 17, the following shall be inserted viz:

(c) The Board of Directors shall have powers at any time, and from time to time, to appoint a person as an additional director as envisaged under Section 260 of the Companies Act, 1956.

By Order of the Board of Directors,

J.K. JAIN

Executive Chairman

Mumbai, 30th May, 2000

#### NOTES :

1. An explanatory statement under section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy or the power of Attorney if any under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.
3. The Register of Members and Share transfer books will remain closed from Friday the 4th August, 2000 to Monday the 7th August, 2000.
4. The amount of unclaimed dividend for the financial year ended 31st March, 1995 has already been transferred to the General Revenue Account of the Central Government pursuant to sub-section (5) of section 205A of the Companies Act, 1956. The concerned members may therefore submit their claims in the prescribed form to the Registrar of Companies, Hakoba Compound, Dattaram Lad Marg, Kalachowki, Mumbai-400 033. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Govt.  
The Members who have not encashed the dividend warrant(s) of the financial year ended 31-03-1996, 31-03-1997, 31-03-1998 and 31-03-1999 are requested to make their claim to the Company or its Registrar. It may also be noted that once the unclaimed dividend is transferred to the Government as above, no claim shall lie in respect of such amount.
5. The members who are holding shares in identical order of names in more than one folio are requested to send to the Company details of such folios together with the share certificates for consolidating their holding in one folio. The share certificate will be returned to the member after making requisite changes thereon.
6. Non-resident Indian Shareholders are requested to inform the Company immediately :-  
The change in the Residential status on return to India for permanent settlement.  
The particulars of NRE bank Account maintained in India.  
Copy of RBI permission.
7. As per the provisions of the amended Companies Act, 1956, facility for making nominations is available to individuals holding shares in the Company.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

##### Item No. 7

Shri K.M. Doongaji was appointed as an additional director by the Board of Directors at their meeting held on 23rd June, 1999. According to the provisions of Section 260 of the Companies Act, 1956, Shri K.M. Doongaji will hold office up to the date of this Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 has been received by a member signifying his intention to propose Shri K. M. Doongaji as Director of the Company. The Directors consider it in the interest of the Company to continue to avail of the services of Shri K.M. Doongaji and recommend that he be re-appointed as a Director. None of the Directors other than Shri Doongaji is concerned or interested in passing of this resolution.

##### Item No. 8

Shri Anand Jain was appointed as an additional director by the Board of Directors at their meeting held on 31st July, 1999. According to the provisions of Section 260 of the Companies Act, 1956 Shri Anand Jain will hold office up to the date of this Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 has been received by a member signifying his intention to propose Shri Anand Jain as Director of the Company. The Directors consider it in the interest of the Company to continue to avail of the services of Shri Anand Jain and recommend that he be re-appointed as a Director.

Shri Anand Jain may be deemed to be interested in the resolution, Shri J.K. Jain, Shri S.P. Jain and Shri Virendra Jain Directors of the Company being related to Shri Anand Jain are deemed to be concerned or interested in the resolution. Save and except the above, none of the other Directors of the Company are in any way concerned or interested in the resolution.

##### Item No. 9

At the 11th Annual General Meeting of the Company held on 24th September, 1996 shareholders had appointed Shri S.P. Jain as Managing Director of the Company pursuant to Article 22 of the Articles of Association of the Company. The term of appointment of Shri S.P. Jain is expiring on 30th September, 2000. The Board of Directors have re-appointed Shri S.P. Jain as Managing Director of the Company for a period of 5 years from 1st October, 2000 to 30th September, 2005.

The appointment of Shri S.P. Jain is subject to the provisions of Sections 198, 269 and 309 and other applicable provisions of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act.

The Draft Agreement proposed to be entered in to inter-alia, contains the following terms :

Salary : Rs. 2,00,000/- per month.

Commission : In addition to salary and perquisites, based on net profits of the Company in a particular financial year computed in the manner laid down in Section 309(5) of the Companies Act, 1956, commission may also be paid.

Perquisites and allowances : Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical expenses/ reimbursement for self and his family including dependants, leave travel concession for self and his family including dependants, club fees, medical insurance and such other perquisites and





allowances as agreed / authorized by the Board of Directors up to Rs.2,00,000/-per month to him subject to overall ceiling of remuneration as stipulated under the Act.

The minimum remuneration to be paid to Shri S.P. Jain in the event of loss or inadequacy of profits in any financial year during the period of his appointment will be subject to a maximum ceiling limit of Rs 24,00,000/-per annum or Rs. 2,00,000 per month and the perquisites as set out in Section II part II of Schedule XIII to the Companies Act, 1956.

The terms of appointment and remuneration are to be approved by the members in general meeting in terms of Schedule XIII to the Companies Act, 1956 and the Directors commend the resolution for approval of members.

The draft Agreement proposed to be entered between the Company and Shri S.P. Jain is available for inspection by the members of the Company at the Registered Office of the Company between 11 a.m.to 1 p.m. and 2 p.m.to 4 p.m.on any working day of the Company.

The above may be treated as an abstract of the draft Agreement proposed to be entered in to between the Company and Shri S.P. Jain pursuant to Section 302 of the Companies Act, 1956.

Shri S.P. Jain is interested in the resolution, Shri J.K. Jain, Shri Anand Jain and Shri Virendra Jain Directors of the Company being related to Shri S.P. Jain are deemed to be concerned or interested in the resolution.

Save and except the above, none of the other Directors of the Company are in any way concerned or interested in the resolution.

#### Item No. 10

At the 11th Annual General Meeting of the Company held on 24th September, 1996 shareholders had re-appointed Shri J.K. Jain as Managing Director designated as Executive Chairman of the Company pursuant to Article 22 of the Articles of Association of the Company. The term of appointment of Shri J.K. Jain is expiring on 30th September, 2000.

The Board of Directors have re-appointed Shri J.K. Jain as Executive Chairman of the Company for a period of 5 years from 1st October, 2000 to 30th September, 2005.

The appointment of Shri J.K. Jain is subject to the provisions of Sections 198, 269 and 309 and other applicable provisions of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act.

The Draft Agreement proposed to be entered in to inter-alia, contains the following terms :

Salary : Rs. 2,00,000/- per month.

Commission : In addition to salary and perquisites, based on net profits of the Company in a particular financial year computed in the manner laid down in Section 309(5) of the Companies Act, 1956, commission may also be paid .

Perquisites and allowances : Accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical expenses/ reimbursement for self and his family including dependants, leave travel concession for self and his family including dependants, club fees, medical insurance and such other perquisites and allowances as agreed / authorised by the Board of Directors up to Rs.2,00,000/- per month to him subject to overall ceiling of remuneration as stipulated under the Act.

The minimum remuneration to be paid to Shri J.K. Jain in the event of loss or inadequacy of profits in any financial year during the period of his appointment will be subject to a maximum ceiling limit of Rs. 24,00,000/-per annum or Rs. 2,00,000 per month and the perquisites as set out in Section II part II of Schedule XIII to the Companies Act, 1956.

The terms of appointment and remuneration are to be approved by the members in general meeting in terms of Schedule XIII of the Companies Act, 1956 and the Directors commend the resolution for approval of members.

The draft Agreement proposed to be entered between the Company and Shri J.K. Jain is available for inspection by the members of the Company at the Registered Office of the Company between 11 a.m.to 1 p.m. and 2 p.m.to 4 p.m.on any working day of the Company. The above may be treated as an abstract of the draft Agreement proposed to be entered in to between the Company and Shri J.K. Jain pursuant to Section 302 of the Companies Act, 1956.

Shri J.K. Jain is interested in the resolution, Shri S.P. Jain, Shri Anand Jain and Shri Virendra Jain Directors of the Company being related to Shri J.K. Jain are deemed to be concerned or interested in the resolution.

Save and except the above, none of the other Directors of the Company are in any way concerned or interested in the resolution.

#### Item No. 11

The equity shares of the Company are listed on The Stock Exchange - Mumbai, The Stock Exchange - Ahmedabad and The National Stock Exchange of India Limited. It is proposed to delist shares from The Stock Exchange-Ahmedabad since most of the trading in equity shares takes place on The Stock Exchange - Mumbai and The National Stock Exchange of India Limited and the negligible trading at The Stock Exchange - Ahmedabad which do not justify the continuance of listing at The Stock Exchange - Ahmedabad. Hence Directors deem it appropriate to delist the equity shares from The Stock Exchange-Ahmedabad.

The Directives / Guidelines issued by the Securities and Exchange Board of India and the Stock Exchange(s) require the prior approval of the shareholders by a special resolution passed at a general meeting. Therefore the resolution seeks to obtain the approval of members, for such delisting.

The resolution is commended for the approval of members.

#### Item no. 12

Consequent upon amendment in the Companies Act, 1956, by the Companies (Amendment) Act, 1999, the Company is allowed to purchase its own shares. Hence, it was felt necessary to amend the Articles of Association of the Company to enable the Company to purchase its own shares. The proposed resolution is placed before the members for approval.

The Articles of Association of the Company is silent about appointment of additional director u/s 260 of The Companies Act, 1956. Hence it was felt necessary to incorporate the provisions in the Articles of Association of the Company. The proposed resolution is placed before the members for approval.

By Order of the Board of Directors,

J.K. JAIN

Executive Chairman

Mumbai, 30th May, 2000