

Jai Corp LIMITED

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20th
ANNUAL REPORT
2004 - 2005

HIGHLIGHTS

	2004 - 2005 (Rs. in Lacs)	2003 - 2004 (Rs. in Lacs)	2002 - 2003 (Rs. in Lacs)	2001 - 2002 (Rs. in Lacs)	2000 - 2001 (Rs. in Lacs)
Turnover & Other Income	30784.14	22,844.43	23288.67	20294.59	27259.12
Depreciation	772.40	830.26	900.25	934.36	946.39
Profit before tax	960.43	3918.53	1874.86	2295.55	3129.28
Tax for the year	118.15	1159.31	166.07	148.09	237.00
Profit after tax	842.28	2759.22	1708.79	2147.46	2892.28
Dividend (including tax thereon)	Nil	Nil	Nil	Nil	224.48
Plough back including depreciation	1618.52	3590.25	2627.87	3084.23	3616.06
Shareholders' Funds (Net Worth)	26030.39	25202.97	22416.07	20812.50	19849.14
Debt / Equity Ratio	0.00/1	0.00/1	0.00/1	0.00/1	0.00/1

JAI CORP LIMITED

20TH ANNUAL REPORT 2004 - 2005

BOARD OF DIRECTORS

(As on 28th June, 2005)

J. K. Jain
Chairman

S. P. Jain
Managing Director

Virendra Jain

K. M. Doongaji

S.H. Junnarkar

D. K. Contractor

Dr. P. P. Shah

S. N. Chaturvedi

Gaurav Jain

V. S. Pandit
Director-Works

REGISTERED OFFICE :

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

MANUFACTURING FACILITIES AT :

1. **Plastic Processing Division :**
Plot No. A-2/4, Plot No. A-2/8, Plot No. C-2/1
M.I.D.C., Murbad, Dist. Thane, Maharashtra.

140/1/1/1-1-140/1/1/9, Village Khadoli
Silvassa [(Dadra & Nagar Haveli (U.T.))]

2. **Sipta Coated Steels Division**
A-3, M.I.D.C. Indl. Area,
Nanded, Maharashtra.

3. **Comet Steels Division**
A-4, M.I.D.C. Indl. Area,
Nanded, Maharashtra.

REGISTRARS & TRANSFER AGENT

KARVY COMPUTERSHARE PVT LIMITED

1. "KARVY HOUSE"
46, Road No. 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034.
Tel. : 040-23312454/23320251/751/752
Fax : 040-23311968
2. 7, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai - 400 053.
Tel. : 022-26730153/0292/0311/0799/0843
Fax : 022-26730152

COMPANY SECRETARY

D. V. Iyer

AUDITORS

Chaturvedi & Shah
Chartered Accountants

BANKERS

Canara Bank



NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of JAI CORP LIMITED will be held on **Thursday, the 25th August, 2005** at 2.00 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, 2005 and Balance Sheet, as at that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri J K Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri K M Doongaji, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri V S Pandit, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors who shall hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Shri S P Jain as Managing Director, with effect from 1st October, 2005 upto 30th September, 2010, upon the terms and conditions, including remuneration and minimum remuneration as set out in the Agreement to be entered into between the Company and Shri S P Jain, a draft whereof 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 between the Board of Directors and Shri S.P Jain.

RESOLVED FURTHER THAT the amount of remuneration to Shri S.P Jain in the financial year shall not exceed the ceiling of 5% of the net profits 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 amendments 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 authorised 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 authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Mumbai
28th June, 2005

J. K. JAIN
Chairman

NOTES :

1. An Explanatory Statement under Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting 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 Tuesday, the 9th August, 2005 to Thursday, the 25th August, 2005 (both days inclusive).
4. The amount of unclaimed dividend for the financial year ended 31st March, 1997 has been transferred to the "Investors Education and Protection Fund" pursuant to the provisions of Section 205C of the Companies Act, 1956.

The Members who have not encashed the dividend warrant(s) for the financial Years ended 31-03-1998 to 31-03-2001 are requested to make their claim to the

Registrars and Transfer Agent, M/s Karvy Computershare Pvt. Ltd. It may also be noted that once the unpaid dividend is transferred to the aforesaid Fund, no claim shall lie with the Company/Fund 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. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s Karvy Computershare Pvt. Limited.

By Order of the Board of Directors

Mumbai
28th June, 2005

J. K. JAIN
Chairman

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

Item No. 6 :

At the 15th Annual General Meeting of the Company held on 10th August, 2000, the shareholders had re-appointed Shri S P Jain as the 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, 2005. The Board of Directors at their meeting held on 28th June, 2005, have re-appointed Shri S P Jain as the Managing Director of the Company for a period of five years commencing from 1st October, 2005 to 30th September, 2010. The appointment of Shri S P Jain is subject to the provisions of Sections 198, 269, 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 into inter-alia,

contains the following terms :Salary : Rs. 2,00,000/- per month. Commission : In addition to salary and perquisites, based on the net profits of the Company in a particular financial year computed in the manner laid down in Section 309 (5) of the Act, commission may also be paid, as may be approved by the Board. 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 upto Rs. 2,00,000/- per month, 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. 2,00,000/- per annum or upto Rs. 2,00,000/- per month, including 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 Board commends the resolution passing of the ordinary resolution. 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 11.00 a.m. and 2.00 p.m. on any working day of the Company. The above may be treated as an abstract of the Agreement proposed to be entered into between the Company and Shri S P Jain, pursuant to Section 302 of the Companies Act, 1956. Shri S P Jain may be considered interested in the resolution since it relates to his appointment. Shri J K Jain, Shri Virendra Jain and Shri Gaurav Jain, Directors of the Company being related to Shri S P Jain may be deemed to be interested in the resolution. Save and except the above, none of the other Directors are deemed to be concerned or interested in the resolution.

By Order of the Board of Directors

Mumbai,
28th June, 2005

J. K. JAIN
Chairman

Registered Office :

A-3, MIDC Industrial Area
Nanded - 431 603
Maharashtra



DIRECTORS' REPORT

The Directors have pleasure to present the Twentieth Annual Report and Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

	(Rs. In lacs)	
	Year ended 31-03-2005	Year ended 31-03-2004
Turnover (Gross)	29933.97	21741.86
Less: Excise duty recovered on sale	929.43	1942.23
Net Turnover	29004.54	19799.63
Operating Profit	1780.59	4809.36
Less: Provision for diminution in Investments	0.19	28.14
Less: Finance Charges	55.85	32.43
Gross Profit	1724.55	4748.79
Less: Depreciation	772.41	830.26
Profit Before Tax	952.14	3918.53
Less: Provision for Tax	120.97	1159.31
Profit after Tax	831.17	2759.22
Balance brought forward from last year	5034.67	2522.77
Prior period Adjustments (Net)	0.74	0.77
Excess provision for Income Tax in earlier years	(13.78)	26.91
Amount available for Appropriations	5852.80	5309.67
Appropriations :		
General Reserve	83.00	275.00
Surplus carried to Balance Sheet	5769.80	5034.67
Total	5852.80	5309.67

DIVIDEND :

Your Directors do not recommend any dividend on the Equity Shares of the Company.

OPERATIONS :

During the year under review, the turnover of the Company's Steel Division jumped from Rs.153.30 Crores to Rs.227.10 Crores due to strong run-up in international steel prices and significant jump in exports. However the margins were under pressure due to rapid increase in raw material prices.

The Plastic Division recorded a turnover of Rs. 22.24 Crores with exports constituting a turnover of Rs. 13.25 crores. The Company's outlook is optimistic about the potential of the international market and the Company is continuously taking steps in improving its competitive strength to maintain its margins.

FIXED DEPOSITS :

The Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956, and the rules framed thereunder.

LISTING OF EQUITY SHARES :

The Company's equity shares are listed on The Stock Exchange, Mumbai and The National Stock Exchange of India Limited. The Company has paid the Listing fees to both the above Stock Exchanges for the period 01-04-2005 to 31-03-2006.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri J K Jain, Shri K M Doongaji and Shri V S Pandit, retire by rotation and being eligible offer themselves for reappointment. Your Directors recommend the above appointments.

Shri J K Jain ceased to be the Executive Chairman of the Company w.e.f. 1st April, 2005, but continues to be the Non-Executive Chairman of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- that in the preparation of the accounts for the financial year ended 31st March, 2005, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are 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 year and of the profit of the Company for the year under review;
- that the directors had 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;

(iv) that the directors had prepared the accounts for the financial year ended 31st March, 2005 on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT :

M/s Chaturvedi & Shah, Chartered Accountants, the present Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as the Statutory Auditors of the Company until the conclusion of the next Annual General Meeting. The Company has received a certificate of their eligibility for re-appointment, pursuant to the provisions of Section 224 (1) of the Companies Act, 1956. The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

DISCLOSURE OF PARTICULARS REALTING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure A forming part of this report.

SUBSIDIARY COMPANY :

As required under the provisions of Section 212 of the Companies Act, 1956, copy of Balance Sheet and Profit and Loss account and report of Directors and Auditors in respect of Subsidiary Company is attached for members' perusal.

PARTICULARS OF EMPLOYEES :

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars

of Employees) Rules, 1975 as amended, the names and other particulars of the employees are given in Annexure B, forming part of this report.

INDUSTRIAL RELATIONS :

The relations with the employees continued to be cordial and satisfactory.

CORPORATE GOVERNANCE :

The Company has complied with the applicable requirements under Clause 49 of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report.

ACKNOWLEDGEMENTS :

Your Directors express their grateful appreciation for the assistance and co-operation received from the Banks, Institutions, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company.

By Order of the Board of Directors

Mumbai
28th June, 2005

J. K. JAIN
Chairman



ANNEXURE "A" TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A) CONSERVATION OF ENERGY :

- (a) The Company has taken various steps for minimisation of energy consumption by putting continuous efforts towards optimisation of operating and processing activities, upgradation of plant equipments, etc.
- (b) Additional investments and proposals if any, being implemented for reduction of consumption of energy :
The Company is not planning any major additional investments and proposals in this regard.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
Due to various steps taken, the Company has been able to conserve the energy more effectively.
- (d) **FORM- A**
Form for Disclosure of Particulars with respect to Conservation of Energy.

Consumption per unit of production :

Product	Year ended 31.03.2005			Year ended 31-03-2004		
	GP/GC Coils/ Sheets Bags	CR Coil/ Sheets	Woven sacks / Fabrics /	GP/GC Coils/ Sheets Bags	CR Coil/ Sheets	Woven Sacks/ Fabrics /
Production (MT)	61934	71266	1989.624	48008	46903	7240
Electricity	74.40	196.31	2176.24	99.61	256.74	1280.99
Others						
a) HSD (KL)	0.02	0.01	0	0.02	0.01	-
b) LPG (KL)	0.01	-	0	0.01	-	-

B. RESEARCH & DEVELOPMENT (R & D) :

In house Research & Development work is carried out to develop the new products/improve the existing products by the Company. No significant expenditure is incurred.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

The Company had not imported any technology during last five years from the beginning of the financial year ended 31-03-2005, hence the required information is not applicable to the Company.

D FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company has exported its products during the year under review and has imported raw materials, store items and capital items, the details of which are as follows:

	(Rs. in lakhs)
1) FOB Value of Exports	Rs. 19573.44
2) CIF Value of Import	Rs. 49.61
3) Expenditure in Foreign Currency	Rs. 161.82

ANNEXURE "B" TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

Name	Age (Years)	Designation/ Nature of duties	Remuneration Rs.	Qualification	Total Experience years	Date of Employment	Last employment held Designation - period for which post held
A) Employed throughout the year and in receipt of remuneration aggregating not less than Rs. 24,00,000/- per year.							
J. K. Jain	73	Executive Chairman	27,02,186/-	Matric	54	01.10.95	Business
S. P. Jain	50	Managing Director	26,41,277/-	B. Com.	29	01.10.95	Comet Steels Ltd. Managing Director (11 years)

Notes :

- Remuneration as above includes salary, allowance, bonus, ex-gratia, leave travel assistance, reimbursement of medical expenses, Company's contribution to Provident Fund and monetary value of other perquisites calculated in accordance with provisions of the Income-Tax Act, 1961 and rules thereunder.
- The nature of employment in all cases are contractual
- No employee mentioned above is related to any director of the Company except Shri J. K. Jain and Shri S. P. Jain, who are related to each other and they are also related to Shri Virendra Jain and Gaurav Jain, Directors of the Company.

By Order of the Board of Directors
J. K. Jain
Chairman

Mumbai, 28th June, 2005

MANAGEMENT DISCUSSION & ANALYSIS (MD &A)

Business Review :

The Indian economy is among the fastest growing economies in the world and despite high crude prices and a deficient monsoon, India's GDP is estimated at 7% in the year 2004-2005. The performance of the Company during the year ended 31st March, 2005 and the Management's views on the future outlook are discussed below :

STEEL DIVISION

The year under review also witnessed a good year for the steel industry, with increased consumption in China, USA and European countries. The strong Chinese demand has given an impetus for the strong run-up in international steel prices, despite increased global production. China is expected to continue to dominate global steel trade and the Company's total exports jumped from Rs.47.84 crores to Rs. 182.49 crores for the year under review which is the highest ever export turnover recorded by the Company.

During the year, the Steel Division of the Company has achieved a Gross turnover of Rs. 277.10 crores compared to Rs. 153.30 crores for the previous year. The Company has achieved production of 61934 M.T. of GP/GC as compared to last year's 48003 M.T.

The exports to various developing countries like China seems to be a major opportunity for Steel Industry. However the problems of volatility in the raw material prices, over capacity, Uncertainty prevailing over delay in Monsoon and International Markets represent major threats to the Industry.

During the year under review there was a substantial increase in the international prices of HR and CR Coils, the key raw materials for making GP/GC Coils/Sheets. The Company was in a position to pass on the increased costs to some extent to the customers. However, this increase, coupled with prevailing uncertainties due to the prevailing oil crisis, etc. has resulted in reduced demand for GP/GC Coils Sheets in the International/domestic market towards the end of the year. Uncertainties prevailing for the coming monsoon can also effect the demand for GP/GC Coils sheets in India. The raw material prices are likely to be volatile for some time, as a result of uncertainties in the International market. This will have a significant impact on the prices in the domestic market. In view of the above factors, the medium term outlook for GP/GC Coils, Sheets is pessimistic.

The Chinese market for flat steel products has collapsed since April 2005 and it will be difficult for the Company to sustain its performance for the year 2005-2006. Due to the Chinese collapse, the US and European prices have further suffered, with the result in very poor order position with the Company, for the current quarter.

PLASTIC PROCESSING DIVISION

Your Company is one of the leading manufacturer of small woven sacks and is a market leader in manufacturing FIBC - Jumbo bags. Your Company is fully equipped to cater to the growing export market in a big way as the Company is developing markets in USA. The Company's Packaging Division has achieved production of 2291 M.T. during the year under review.

The expansion of the International Markets for niche products like FIBC- Jumbo bags & Woven Fabrics represents the new opportunity for the Plastic Processing Division. The Company looks at Exports as a major thrust area and intends to focus on Exports as the mainstay of business.

The major threat the Company faces is from small manufacturers operating in semi-organised sector which results in unhealthy competition as they are exempt from majority of government levies and regulations. There is significant price pressure due to such competition.

The Plastic Processing Division is engaged in manufacturing of woven sacks and Fabrics of Polypropylene(PP), High Density Polyethylene (HDPE) and Low Density Polyethylene (LDPE) at units located at Murbad in Maharashtra, and Khadoli (100% EOU) (Dadra & Nagar Haveli U. T.). The Plastic Processing Division has achieved the turnover of Rs. 22.24 crores with exports constituting a turnover of Rs. 13.25 crores.

In Plastic Processing Division, the Company's outlook is optimistic about the potential of the international market as the Company is fully equipped to cater the International demand. The Company is continuously taking steps in improving its competitive strengths in order to maintain its lead over competition and improve its margins and profitability. However, unprecedented volatility and/or increase in key raw material prices can adversely affect the performance of the Company.

Risks concerns & Risk Management :

The Company is exposed to the normal industry risk factors of competition, economic cycle, raw material availability, uncertainties in the international and domestic markets and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices. The Company is carrying out a modernisation and upgradation exercise in the Steel Division for improving the quality and increasing line speed of the existing continuous galvanising line and cold rolled mills. The Company is confident that with this modernisation and upgradation, the Company will be able to produce skin passed material which has a good demand in the export markets.

Internal Control systems and their adequacy :

The Company has a proper and adequate system of internal controls which are designed to assist in the identification and management of risks to ensure the integrity of accounting system, proper authorisation, recording and reporting of all transactions, monitored and control against any unauthorised use or disposition of assets, safeguarding of Company's assets.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines and ensuring the reliability of financial and operational information. The Audit Committee of the Company reviews the adequacy of internal Controls systems.

Human Resources and Industrial Relations :

The relations with the employees at all the units continued to be cordial and satisfactory. The total number of employees as on 31st March, 2005 were around 650.

Forward - Looking Statements :

This report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like 'plans', 'expects', 'anticipates', 'believes', 'intends', 'estimates', or other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements.

Forward looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise, any forward-looking statements, on the basis of any new information, future events, subsequent developments or otherwise.



REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of governance :

The Company strongly believes in fair, efficient and transparent business operations, proper disclosure of relevant information and to serve the best interests of all the stakeholders, viz., the employees, shareholders, customers, the Government and the Society at large. The Company strives towards excellence through adoption of best governance and disclosure practices.

2. Board of Directors:

The Board of Directors of the Company has an optimum combination

of executive and non-executive Directors. The present strength of the Board is ten Directors, of which two Directors i.e. Managing Director and Director - Works are Executive Directors and eight Directors are Non-Executive Directors, five being independent Directors. The number of independent Directors on the Board is in conformity with the requirement of the Listing Agreement.

Six Board Meetings were held during the year ended 31st March, 2005, with a time gap of not more than four months between two Meetings. The dates of the Board Meetings are 17th April, 2004, 29th June, 2004, 31st July, 2004, 31st August, 2004, 30th October, 2004 and 31st January, 2005.

Name of the Director	Category of Directorship	No. of Board Meetings Attended	No. of Other Directorships Held (in Public Companies)	No. of other Board committees positions held
Shri J.K.Jain	Chairman (Non-Executive) [@]	5	1	NIL
Shri S. P. Jain	Managing Director (Executive)	6	3	2 - Chairman
Shri Virendra Jain	Non-executive	4	4 [#]	Nil
Shri K. M. Doongaji	Non-executive, Independent	6	1	NIL
Shri S.H. Junnarkar	Non-executive, Independent	3	11	8 - Member 1 - Chairman
Shri D.K. Contractor	Non-executive, Independent	6	5	1 - Member 1 - Chairman
Shri V. S. Pandit	Executive, Director – Works	4	NIL	NIL
Dr. P. P. Shah	Non-executive, Independent	2	4	4 - Member
Shri S N Chaturvedi	Non-executive, Independent	5	3	2 - Chairman
Shri Gaurav Jain	Non-executive	3	1	NIL

[@] Ceased to be Executive Chairman w.e.f. 1st April, 2005

[#] Excludes foreign Directorship

Brief Resume of Directors who are proposed to be re-appointed :

Shri J K Jain :

Shri J K.Jain is the Chief Promoter of Jai Corp Limited and is currently the Chairman of the Company. He started his own transport business in Assam and was one of the founding members of Indian Roadways Corporation. He has over 50 years of rich and varied experience and was instrumental in setting up manufacturing units catering to the demands of the packaging materials like FIBC, HDPE / PP Woven sacks /Fabrics for various user industries like Petrochemicals, Cement, etc. He ceased to be the Executive Chairman of the Company w.e.f. 1st April, 2005, but continues to be the Non-Executive Chairman of the Company. He is also on the Board of Ridhi Synthetics Limited, apart from other private Companies.

Shri K M Doongaji :

Shri K M Doongaji has done his B.A. in Economics and also has a Degree in Law. He has also completed his post graduation Basic Course in Business Management from St. Xaviers Social Institute of Industry and participated in Middle Management Development Programme conducted by The Indian Institute of Management (IIM), Ahmedabad. He has more than 40 years experience in areas like Project and Corporate Finance, Legal, Operations, Corporate Laws, etc. while working with ICICI Limited and retired in 1997 as Deputy Zonal Manager (Operations). He is also on the Board of Balkrishna Industries Ltd.

Shri S. P. Jain :

Shri S.P.Jain is a Commerce Graduate from Bombay University. He is the Managing Director of the Company since 1995. He is having to his credit more than 25 years overall experience in manufacturing and marketing of cold rolled and galvanised plain and corrugated sheets. He is having overall responsibility of entire Steel Division and in particular, in manufacturing, marketing and export functions of the Steel Division of the Company. Under his dynamic leadership and the initiatives taken by him to develop exports, the Company has seen a 3 fold increase in the export turnover of Steel Division, during the year under review.

He is Chairman of Reliance Industrial Infrastructure Limited and is also Chairman of its Investor Grievance Committee, Audit Committee and member of its Remuneration Committee. He is also on the Board of Magico Exports & Consultants Ltd, Prime Wovens Limited apart from other private Companies.

He was also Ex-Chairman of Cold Rolled Steel Manufacturers Association (CROSMA).

Shri V S Pandit :

Shri V S Pandit is a Science graduate from the Bombay University. He is having more than 24 years experience in the Plastic Industry with more than 22 years in Woven sacks/bags industry. He has wide experience in setting up and operation of woven sacks manufacturing units and is associated with the Company since 1988 and is the Whole time Director of the Company since 1997 with overall responsibility of the manufacturing and export activities of Packaging Division.