

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance, as amended from time to time, the Company submits, hereunder, a report on the matters mentioned in the said Clause and the practice followed by the Company.

### 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., employees, shareholders, customers, lenders, 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 of which five are independent Directors. As on 31.03.2010, the number of independent directors on the Board is in conformity with the requirements of the Listing Agreement.

As against the minimum requirement of four meetings during a financial year, five Board Meetings were held during the year ended 31.03. 2010, with a time gap of not more than four months between two Meetings. The dates of the Board Meetings are 29.05.2009, 26.06.2009, 30.07.2009, 27.10.2009 and 28.01.2010.

Name of the Director	Category of Directorship & Designation	Attendance of meetings During 2009-10		#No. of Other Directorships held in other Indian Public Companies	*No. of Board Committee positions held in other Indian Public Companies
		Board Meetings	Last AGM		
Shri J.K.Jain	Promoter - Chairman Emeritus Non-Executive Director	5	No	1	NIL
Shri Anand Jain	Promoter - Chairman Non-Executive Director	5	No	4	NIL
Shri Virendra Jain	Promoter - Vice Chairman Non-Executive Director	5	No	8	NIL
Shri Gaurav Jain	Promoter - Managing Director/ CEO	5	Yes	14	NIL
Shri K. M. Doongaji	Independent, Non-Executive Director	5	Yes	1	NIL
Shri S.H. Junnarkar	Independent, Non-Executive Director	5	Yes	10	7-Members of which 1-as Chairman
Shri D.K. Contractor	Independent, Non-Executive Director	5	No	5	3-Members of which 1-as Chairman
Dr. P. P. Shah	Independent, Non-Executive Director	3	No	5	6-Members of which 4-as Chairman
Shri S. N. Chaturvedi	Independent, Non-Executive Director	5	Yes	4	2- Members
Shri V. S. Pandit	Non- Promoter, Non-Independent Executive Director	2	Yes	NIL	NIL

\*In accordance with Explanation to Clause 49(I)(C) of the Listing Agreement, Membership / Chairmanship of the Audit Committee and Shareholders' Grievance Committee of all Indian public limited companies whether

listed or not in which he is director has been considered.

# Excludes Directorship in foreign companies, private limited companies and companies incorporated under Section 25 of the Companies Act, 1956.

**No Director is a member in more than ten Audit Committees and Shareholders' Grievance Committees and acts as Chairman of more than five Audit Committees and Shareholders' Grievance Committees across all Indian public limited companies, whether listed or not, in which he is a director.**

**Equity shares of the Company held by Non- Executive Directors as on 31.03.2010:**

Sr. No	Name of the Non – executive director	No. of shares
1.	Shri J.K. Jain	4,780
2	Shri Anand Jain	35,11,840
3.	Shri Virendra Jain	98,71,620
4.	Shri K.M. Doongaji	400
5.	Shri S.H. Junnarkar	Nil
6.	Shri D.K. Contractor	3,000
7.	Dr. P.P. Shah	Nil
8.	Shri S.N. Chaturvedi	Nil

### 3. Directors' Profile:

Brief resume of all Directors, including Shri S.H. Junnarkar, Dr. P.P. Shah and Shri Virendra Jain who retire by rotation and being eligible are proposed to be re-appointed, nature of their expertise in specific functional areas and names of all Indian public limited companies in which they hold directorships, and names of all Indian public/ private limited companies in which they hold memberships/ chairmanships of Board Committees and their shareholding in the Company are provided herein:

#### Shri Jai Kumar Jain:

Shri Jai Kumar Jain (79 years) is the Chairman-Emeritus and a promoter Director of the Company. He has been associated with the Company since its inception. He started his career with transport business and was one of the founder members of Indian Roadways Corporation. He has over 50 years of varied experience and was instrumental in setting up manufacturing units catering to the demands of packaging materials like FIBC, HDPE / PP woven sacks / Fabrics for various user industries like petrochemicals, cement etc. He is also a Director in Ridhi Synthetics Limited and several private limited companies. As on 31.03.2010, he held 4,780 equity shares of the Company. He is a promoter Director and is related to the following Directors of the Company: Shri Anand Jain, Shri Virendra Jain and Shri Gaurav Jain.

#### Shri Anand Jain:

Shri Anand Jain (53 years) is the Chairman and a promoter Director of the Company. He has been associated with the Company since its inception. He holds a degree in Risk Management from London Business School. He has over 25 years experience in various businesses. He is a Director of Mumbai SEZ Limited, Reliance Haryana SEZ Limited, Rewas Ports Limited, Urban Infrastructure Venture Capital Limited and several private limited companies. As on 31.03.2010, he held 35,11,840 equity shares of the Company. He is a promoter Director and is related to the following Directors of the Company: Shri Jai Kumar Jain, Shri Virendra Jain and Shri Gaurav Jain.

#### Shri Virendra Jain:

Shri Virendra Jain (51 years) is the Vice Chairman and a promoter Director of the Company. He has been associated with the Company since its inception. He is a graduate from the University of Mumbai. He has over 25 years experience in the business of plastic processing. He is also a Director in Free Press House Limited, Jai Infraprojects Limited, Jai Realty Ventures Limited, Pet Fibres Limited, Prime Wovens Limited, Suniti Commercials Limited, Techfab (India) Industrial Limited, Urban Infrastructure Trustee Limited and several private limited companies. As on 31.03.2010, he held 98,71,620 equity shares of the Company. He is a promoter Director and is related to the following Directors of the Company: Shri Jai Kumar Jain, Shri Anand Jain and Shri Gaurav Jain.

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### **Shri Gaurav Jain:**

Shri Gaurav Jain (30 years) is the Managing Director of the Company since 04.06.2008. He graduated with dual degrees from The Wharton School- Bachelor of Science in Economics with specialisation in finance and School of Engineering and Applied Science- Bachelor of Science in Engineering with major in Computer Science and Engineering from University of Pennsylvania, U.S.A.. He was instrumental in setting up Adventity Global Services Private Limited which is a business process outsourcing (BPO) Company. He has been associated with the Company since 2004. He is also a Director of Awas Realtors Limited, Dev Realty and Developers Limited, Jailaxmi Realty and Developers Limited, Jai Infraprojects Limited, Jai Realty Ventures Limited, Novelty Realty & Developers Limited, Pet Fibres Limited, Poly-resin Agencies (India) Limited, Srinivas Electro Steel Limited, Samrat Realty and Developers Limited, Urban Gas Limited, Urban Gas Distributors Limited, Urban Gas Suppliers Limited, Welldone Real Estate Limited and several private limited companies. As on 31.03.2010, he held 1,04,27,200 equity shares of the Company. He is a promoter Director and is related to the following Directors of the Company: Shri Jai Kumar Jain, Shri Anand Jain and Shri Virendra Jain.

### **Shri Khurshed Minocher Doongaji:**

Shri Khurshed Minocher Doongaji (70 years) holds bachelors' degrees in economics and law from the University of Mumbai. He holds a diploma in Business Management and has varied experience of over 40 years in project and corporate finance, legal, operations and corporate laws with erstwhile ICICI Limited. He has been associated with the Company since 1999 and is the Chairman of the Audit Committee. He is also a Director in Balakrishna Industries Limited. As on 31.03.2010, he held 400 equity shares of the Company. He is an independent Director and is not related to any other Director of the Company.

### **Shri Sandeep Hemendra Junnarkar:**

Shri Sandeep Hemendra Junnarkar (58 years) holds Bachelors' degrees in Science and Law from the University of Mumbai and is a solicitor by profession. He is a partner of Junnarkar and Associates, Advocates, Solicitors and Notaries, Mumbai. His areas of specialization include banking laws, corporate laws including competition laws, exchange control laws, securities laws and regulations etc. He has been associated with the Company since 1994. He is a Member of the Managing Committee of the Bombay Incorporated Law Society. He is also a Director of Everest Industries Limited, Excel Crop Care Limited, IL&FS Infrastructure Development Corporation Limited, Jai Realty Ventures Limited, Reliance Industrial Infrastructure Limited, Reliance Industrial Investments & Holdings Limited, Reliance Ports and Terminals Limited, Sterlite Energy Limited, Sterlite Industries (India) Limited, and Sunshield Chemicals Limited. He is a member of the Audit Committees of Everest Industries Limited, Reliance Industrial Infrastructure Limited, Sterlite Energy Limited and Sterlite Industries (India) Limited. He is also a member of Shareholders' / Investors' Grievance Committees of Reliance Industrial Infrastructure Limited, Sterlite Energy Limited and Chairman of the Committee of Sterlite Industries (India) Limited. He does not hold any share in the Company. He is an independent Director and is not related to any Director of the Company.

### **Shri Dady Kaikhushru Contractor:**

Shri D.K.Contractor (82 years) is a commerce graduate from the University of Mumbai and a Fellow of the Indian Institute of Bankers. He has over 55 years experience in banking and administrative matters. He retired as the Executive Director of Central Bank of India. He has been associated with the Company since 1996 and is a Member of the Audit Committee. He is also a Director of IL&FS Trust Company Limited, Lupin Limited, Mazda Limited, Victoria Mills Limited, Zoroastrian Co-operative Bank Limited and several private limited companies. He is member of the Audit Committees of IL&FS Trust Company Limited and Lupin Limited. He is the Chairman of the Shareholders'/ Investors' Grievance Committee of Lupin Limited. As on 31.03.2010, he held 3,000 equity shares of the Company. He is an independent Director and is not related to any other Director of the Company.

### **Dr. Pravin Pranlal Shah:**

Dr. Pravin Pranlal Shah (65 years) is a Practicing Chartered Accountant having over 38 years of professional experience in the areas of financial consultancy, corporate structuring/ restructuring, foreign collaborations, business re-organizations, taxation, valuation, property matters, accounting, auditing, company law and FEMA. He is also a Member of the Taxation Committee of the Indian Merchants' Chamber. He is a partner of Pravin P. Shah & Co., Chartered Accountants and proprietor of Pravin P. Shah & Associates, Chartered

Accountants and PPS & Associates, Chartered Accountants . He has been associated with the Company since 2002. He is also a Director of Adani Enterprises Limited, Bombay Rayon Fashions Limited, Claris Lifesciences Limited, JM Financial Limited, Raheja Universal Limited and several private limited companies. He is a member of the Audit Committees of Adani Enterprises Limited, Benchmark Trustee Company Private Limited, JM Financial Limited, JM Financial & Investment Consultancy Services Private Limited and JM Financial Consultants Private Limited and is the Chairman of that committee in Bombay Rayon Fashions Limited, Claris Lifesciences Limited and Raheja Universal Limited. He is the Chairman of the Shareholders'/ Investors' Grievance Committee of Raheja Universal Limited. He does not hold any share in the Company. He is an independent Director and is not related to any Director of the Company.

**Shri Sachin Nath Chaturvedi:**

Shri Sachin Nath Chaturvedi (59 years) holds a bachelors' degree with honours in technology. He is a Fellow Member of the Institute of Chartered Accountants of India and also holds a masters in business administration. He has over 20 years of experience as a Practicing Chartered Accountant- as a partner of Messrs Chaturvedi & Company, Chartered Accountants. He has varied experience of audit of banks, financial institutions, public sector units and many large companies. He also has valuable experience in monitoring / inspection / investigation of units / companies at the behest of banks / financial institutions/ income-tax authorities /High Courts / Company Law authorities as well as inspection of mutual funds / stock exchange brokers / plantation companies on behalf of SEBI. He has been associated with the Company since 2004 and is Member of the Audit Committee. He is also a Director of Balkrishna Industries Limited, Balkrishna Paper Mills Limited, Jai Realty Ventures Limited, N.R.Agarwal Industries Limited and several private limited companies. He is member of the Audit Committees of Balkrishna Industries Limited and N.R.Agarwal Industries Limited. He does not hold any share in the Company. He is an independent Director and is not related to any Director of the Company.

**Shri Vasudeo Srinivas Pandit:**

Shri Vasudeo Srinivas Pandit (59 years) is the Director – Works of the Company. He holds bachelors' degrees in science and has more than 25 years of experience in the plastic industries with more than 22 years in woven sacks/ bags industry and in setting up and operating woven sacks manufacturing units. He has been associated with the Company since 1988 and has been an Executive Director of the Company since 1997 with the overall responsibility of the manufacturing and export activities of packaging division. He is a Director of Sarbags Pty Limited. He is not a director in any other Indian company and does not hold any share of the Company. He is a non- promoter, executive Director not related to any other Director of the Company.

**4. CEO/CFO:**

Shri Gaurav Jain, Managing Director is designated as Chief Executive Officer (CEO) and Shri Ashok Tak , Vice President-Commercial has been vested with the authority to head the finance function and to act as the Chief Financial Officer (CFO) of the Company.

The Managing Director-cum-Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchanges. The Managing Director -cum-Chief Executive Officer and the Chief Financial Officer also give quarterly certifications on financial results while placing the financial results before the Board in terms of Clause 41(II)(a) and Clause 49 (V) of the Listing Agreement with the Stock Exchanges.

**5. Board Meetings:**

The Board of Directors meets at least once in every quarter to review performance of the Company along with the financial results. The functions of the Board are effectively and efficiently discharged by briefing each Board Member of development that have taken place. The agenda and notes to the agenda are circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. In situations where it is not practicable to attach any document to the agenda, the same is tabled at the meeting, specific reference to this effect is made in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted.

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The Board is given presentation covering finance, investments, sales & marketing and operations of the Company, before taking on record the quarterly results of Company. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

The Company Secretary records / enters the minutes of the proceedings of each Board and Committee Meeting within 30 days from the conclusion of the meeting.

The Minutes of meetings of audit committee and other committees of the Board were placed before the Board.

The Minutes of Board Meetings of subsidiaries and step down subsidiaries were placed before the Board.

### 5.1 Audit Committee:

The Audit Committee has four members out of which three are independent directors. Shri K. M. Doongaji, Independent Director acts as Chairman of the Committee. Shri S. N. Chaturvedi, Shri D.K. Contractor and Shri Virendra Jain are other members. The Managing Director-cum-Chief Executive Officer, Shri Gaurav Jain attended all the meetings of the Audit Committee. The constitution of Audit Committee meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49 (II) of the Listing Agreement with the Stock Exchanges. All the Members of the Audit Committee are financially literate and possess accounting and financial management expertise.

#### (a) Powers of Audit Committee:

The audit committee has the following powers:

- (1) To investigate any activity within its terms of reference.
- (2) To seek information from any employee.
- (3) To obtain outside legal or other professional advice.
- (4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### (b) Role of Audit Committee:

The terms of reference stipulated by the Board to the Audit Committee, are, as contained under Clause 49 (II) (D) of the Listing Agreement with the Stock Exchanges, as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditor, and the fixation of audit fee and approval of payment for any other service rendered by the statutory auditor.
- c. Reviewing, with management, the annual financial statements before submission to the Board for approval, with particular reference to: (i) matters to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956, (ii) any change in accounting policies and practices and the reason for the same, (iii) major accounting entries based on exercise of judgement by management, (iv) significant adjustments made in financial statements arising out of audit findings, (v) compliance with listing and legal requirements relating to financial statements, (vi) disclosure of any related party transactions, (vii) qualifications in the draft audit report, (viii) the going concern assumption, (ix) Compliance with accounting standards.
- d. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- f. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- g. Reviewing the adequacy of internal audit functions, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h. Discussing with internal auditors any significant findings and follow up there on.
- i. Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j. Discussing with statutory auditors before the audit commences, about nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- k. Reviewing the Company's financial and risk management policies.
- l. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- m. Reviewing the financial statements and in particular investments made by unlisted subsidiary Company.
- n. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing.
- o. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

**(c) Review of information by Audit Committee:**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letter / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

**(d) Meeting of the Audit Committee:**

The Audit Committee has met five times during the year 2009-2010, on 29.05.2009, 26.06.2009, 30.07.2009, 27.10.2009 and 28.01.2010.

Representatives of Statutory Auditors and Internal Auditors were invited and were present at the Audit Committee Meetings.

**(e) Attendance of each Member at the Audit Committee meetings held during the year:**

Name of Director	Designation	Meetings Held	Meetings Attended
Shri K.M. Doongaji	Chairman	5	5
Shri S.N. Chaturvedi	Member	5	5
Shri Virendra Jain	Member	5	5
Shri D.K. Contractor	Member	5	5

The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of Audit Committee attended the last Annual General Meeting of the Company.

**5.2 Remuneration Committee & details of remuneration to Directors:**

The Company has not constituted a remuneration committee. Presently, there is one Managing Director and one Whole-time Director. The remuneration paid to them is subject to the limits laid down under Sections 198, 309 and Schedule XIII to the Companies Act, 1956. The remuneration consists of salary, Company's

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contribution to provident fund, gratuity, perquisites and allowances in accordance with the respective service contracts and Rules of the Company, applicable from time to time.

The Managing Director and the Whole-time Director are not paid any sitting fee for attending the Board/ Committee meetings. The non-executive directors are paid sitting fees @ Rs.5,000/- per Board Meeting, Audit Committee and Shareholders / Investors Grievance Committee meetings and out-of-pocket expenses to attend these meetings.

(a) **The terms of appointment of the executive directors are as under:**

Name of the Director/ Designation	Salary	Commission	Perquisites & Allowance*	Service Contract	
				Tenure	Notice Period
Shri Gaurav Jain/ Managing Director	Rs. 2,00,000/- per month	not exceeding the limits laid down in Section 309(3) of the Act	up to Rs.2,00,000/- per month, subject to overall ceiling of remuneration as stipulated under the Companies Act, 1956.	04-06-2008 to 03-06-2013.	3 months
Shri Vasant S. Pandit/ Director-Works	Not exceeding Rs. 2,00,000/- per month	not exceeding the limits laid down in Section 309(3) of the Act	up to Rs.2,00,000/- per month, subject to overall ceiling of remuneration as stipulated under the Companies Act, 1956.	01-04-2007 to 31-03-2012.	3 months.

\*Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with re-imbursment of expenses or allowances for utilization of gas, electricity, water, furnishing and repairs, medical expenses / re-imbursment 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.

There is no separate provision for payment of severance fee.

(b) **The details of remuneration paid to the Directors (including perquisites and allowances) for the year ended 31.03.2010 are as under:**

Name of Director	Sitting Fees (Rs.)	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Shri J. K. Jain	25,000	NIL	NIL	25,000
Shri Anand Jain	25,000	NIL	NIL	25,000
Shri Virendra Jain	70,000	NIL	NIL	70,000
Shri K. M. Doongaji	70,000	NIL	NIL	70,000
Shri S. H. Junnarkar	25,000	NIL	NIL	25,000
Shri D. K. Contractor	50,000	NIL	NIL	50,000
Dr. P. P. Shah	15,000	NIL	NIL	15,000
Shri S. N. Chaturvedi	70,000	NIL	NIL	70,000
Shri Gaurav Jain	NIL	24,00,000	2,35,333	26,35,333
Shri V. S. Pandit	NIL	21,00,000	NIL	21,00,000

The Company has paid Rs. 1,30,154/- as professional charges during the year to Pravin P. Shah & Associates, Chartered Accountants and Pravin P. Shah & Company where Dr. Pravin P. Shah, Director of the Company is the proprietor and a partner respectively and Rs. 38,605/- to Junnarkar & Associates, Advocates where Shri Sandeep H. Junnarkar, Director of the Company is a partner.

### 5.3 Shareholders' / Investors' Grievance Committee and Share Transfer Committee:

The Board had delegated *inter alia* the powers to approve the transfer of shares and to deal with investors' grievances to a Committee consisting of 3 members: (1) Shri Jai Kumar Jain, Non-executive Chairman, (2) Shri Virendra Jain, and (3) Shri Gaurav Jain as members. This Committee was known as Investors' Grievance and Share Transfer Committee.

The Investors' Grievance and Share Transfer Committee, met at least once in every quarter approve transfer/transmission of shares held in physical form, to review and to take note of the Compliance Reports submitted to the Stock Exchanges, grievances of the shareholders and other issues connected with shareholders.

**(a) Meeting of the Shareholders' / Investors' Grievance Committee and Share Transfer Committee:**

During the financial year 2009-10, the Shareholders' / Investors' Grievance Committee and Share Transfer Committee met 4 times.

**(b) Attendance of each Member at the Shareholders' / Investors' Grievance Committee Share Transfer Committee meetings held during the year:**

Name of Director	Designation	Meetings Held (up to 01.06.2009)	Meetings Attended
Shri Jai Kumar Jain	Chairman	4	4
Shri Virendra Jain	Member	4	3
Shri Gaurav Jain	Member	4	4

Shri Ananjan Datta, the Company Secretary acted as the secretary to the Committee.

The Board of Directors dissolved this Committee with effect from 01.06.2009 and two committees were constituted in lieu thereof:

1. Shareholders/ Investors Grievance Committee, and
2. Share Transfer Committee;

### 5.4 Shareholders / Investors Grievance Committee:

The Board has delegated *inter alia* the powers to deal with shareholders'/ investors' grievances to the Shareholders/Investors Grievance Committee. Pursuant to the provisions of Clause 49(IV)(G)(iii) of the Listing Agreement with the Stock Exchanges, a non-executive director, Shri K.M. Doongaji has been appointed the chairman of the Shareholders / Investors Grievance Committee. Shri S.N. Chaturvedi and Shri Virendra Jain are the other members.

The Shareholders/Investors Grievance Committee met at least once in every quarter to specifically look into the redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

**(a) Meeting of the Shareholders / Investors Grievance Committee:**

During the financial year 2009-10, the Shareholders / Investors Grievance Committee met 4 times.

**(b) Attendance of each Member at the Shareholders / Investors Grievance Committee meetings held during the year:**

Name of Director	Designation	Meetings Held (since 01.06.2009)	Meetings Attended
Shri K. M. Doongaji	Chairman	4	4
Shri S. N. Chaturvedi	Member	4	4
Shri Virendra Jain	Member	4	4
Shri Gaurav Jain	Member	4	4

Shri Ananjan Datta, the Company Secretary acts as the secretary to the Committee.

**(c) Investor Complaints Redressal:**

12 investor complaints were pending at the beginning of the year, 347 investor complaints were received during the year ended 31.03.2010 out of which 359 complaints were resolved. As on 31.03.2010, nil investor complaints were pending.



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### 5.5 Share Transfer Committee:

The Board has delegated *inter alia* the powers to, deal with transfer, transmission of shares in physical form to the Share Transfer Committee. Shri Jai Kumar Jain, is the chairman. Shri Virendra Jain, and Shri Gaurav Jain are the members of this Committee.

#### (a) Meeting of the Share Transfer Committee:

During the financial year 2009-10, the Share Transfer Committee met 11 times.

#### (b) Attendance of each Member at the Share Transfer Committee meetings held during the year:

Name of Director	Designation	Meetings Held (since 01.06.2009)	Meetings Attended
Shri Jai Kumar Jain	Chairman	11	11
Shri Virendra Jain	Member	11	11
Shri Gaurav Jain	Member	11	10

Shri Ananjan Datta, the Company Secretary acts as the secretary to the Committee.

### 5.6 Procedure at the Committee Meetings:

The procedure of Board Meetings is applicable to the Committee Meetings as far as may be practicable. The minutes of the Committee Meetings are placed before the Board of Directors for their perusal and noting.

### 6. Prevention of Insider Trading:

Code of Conduct for Prevention of Insider Trading, was approved by the Board at its Meeting held on 29.05.2009. Pursuant to this Code, All directors, officers and designated employees have furnished quarterly/ annual statements of their shareholdings in the Company.

### 7. Code of Business Conduct and Ethics for Directors, Senior Management and Employees:

Code of Conduct and Ethics for Directors, Officers and Employees was approved by the Board in its meeting held on 29.05.2009. At the meeting held on 29.05.2009, the Board replaced the existing Code with a new Code of Conduct & Ethics for Directors and Senior Management, which lays down the standards of business conduct, ethics and governance. The same is posted on the website of the Company. All Directors, senior management and employees have affirmed their compliance with the Code. The Code has been circulated to all the members of the Board and management personnel and compliance of the same is affirmed by them annually.

### 8. Compliance Officer:

Shri Ananjan Datta, Company Secretary is the Compliance Officer for complying with SEBI Regulations and requirements under the Listing Agreement with the Stock Exchanges.

### 9. Subsidiary monitoring framework:

All subsidiary companies of the Company are Board managed with their respective Boards having rights and obligations to manage such companies in the best interest of their stakeholders. As the majority shareholder, the Company has placed two of its independent directors on the Board of a subsidiary company where it has made substantial investment. It monitors the performance of all subsidiary companies, *inter alia* by the following means:-

- Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed and noted by the Audit Committee of the Company.
- All minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary Companies are placed before the Board.

10. General body meetings:

i) (a) Location and time of last three Annual General Meetings of the Company and the special resolutions passed therein:

Year	Date	Day	Time	Location	Special Resolutions Passed
2007	14.09.2007	Saturday	2.00 p.m.	Registered Office: A-3, MIDC Industrial Area, Nanded- 431 603 Maharashtra.	<ol style="list-style-type: none"> <li>1. Subdivision of each equity shares of face value Rs.10/-- to 10 equity shares of Re.1/- each and increase of authorized share capital from Rs.25,00,00,000/- to Rs.50,00,00,000/-.</li> <li>2. Increase in limit of investments allowable under Section 372A of the Companies Act, 1956 to Rs.10,00,00,00,000/-.</li> <li>3. Approval for placement of shares by way of qualified institutional placement.</li> <li>4. Approval for follow-on public offer.</li> <li>5. Approval for offering securities in international market.</li> <li>6. Approval for raising the total foreign institutional investors holdings in the Company up to 49% of the equity share capital.</li> <li>7. Approval for issuing shares under employee stock option scheme.</li> <li>8. Approval for extending the employee stock option scheme to the permanent employees and directors of subsidiary companies.</li> </ol>
2008	30.08.2008	Saturday	12:00 noon	-do-	<ol style="list-style-type: none"> <li>1. Adoption of new Articles of Association.</li> <li>2. Approval for placement of securities by way of qualified institutional placement.</li> </ol>
2009	23.09.2009	Wednesday	2:00 p.m.	-do-	<ol style="list-style-type: none"> <li>1. Approval for placement of securities by way of qualified institutional placement.</li> <li>2. Approval for follow-on public offer.</li> <li>3. Approval for offering securities in international market.</li> <li>4. Approval for roll over of Preference Shares.</li> </ol>

## CHALLENGES AND BEYOND

(b) Details of Extra-ordinary General Meetings of the Company during 2007, 2008 and 2009 and the special resolutions passed therein:

Year	Date	Day	Time	Location	Special Resolutions Passed
2007	17.11.2007	Saturday	12:00 noon	Registered Office: A-3, MIDC Industrial Area, Nanded- 431 603 Maharashtra.	<ol style="list-style-type: none"> <li>1. Re-classification of authorized share capital to make it 45,00,00,000 equity shares of Re.1/- each, 1,50,00,000 redeemable preference shares of Re.1/- each and 3,50,00,000 unclassified shares of Re.1/- each.</li> <li>2. Approval for issue of 59,10,610 equity shares of Re.1/- each for Rs.1,035/- by way of preferential allotment.</li> <li>3. Approval for issue of 1,50,00,000 redeemable preference shares of Re.1/- each for Rs.1,000/- per share to promoters/promoter group.</li> </ol>
2008	18.03.2008	Saturday	12:00 noon	-do-	<ol style="list-style-type: none"> <li>1. Amendment to the Articles of Association to state that the numbers of directors shall not be less than 3 and more than 12.</li> <li>2. Increase in limit of investments allowable under Section 372A of the Companies Act, 1956 to Rs.7,500,00,00,000/-.</li> </ol>
2009	-	-	-	-	No Extra-ordinary General Meeting was held

(c) Details of postal ballots held during 2007, 2008 and 2009 and the special resolutions passed therein:

Year & Name of person who conducted postal ballot exercise	Declaration of Results of Postal Ballot			Location	Special Resolutions Passed
	Date	Day	Time		
2007 Ms. Savita Jyoti, Practising Company Secretary	2.11.2007	Friday	18.30 hours	807, Embassy Centre, Nariman Point, Mumbai- 400 021.	<ol style="list-style-type: none"> <li>1. Alteration to the Object of Clause of the Memorandum of Association of the Company.</li> <li>2. Approval for commencement of new business by the Company.</li> </ol>
2008	—	—	—	—	No resolution was passed by postal ballot.
2009	—	—	—	—	No resolution was passed by postal ballot

- ii) **Details of special resolutions passed last year through postal ballot:**  
No resolution was passed through postal ballot in the last year.
- iii) **Person who conducted the postal ballot exercise:**  
Not Applicable.
- iv) **Special resolution proposed to be passed through postal ballot:**  
None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing of special resolution through postal ballot.
- v) **Procedure for postal ballot:**  
Not Applicable.

**11. Disclosures:**

- (a) **Materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management, the subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:**

None of the transactions with any of the related parties were in conflict with the interests of the Company at large.

Further in compliance to the Accounting Standard (AS-18), a detailed disclosure of transactions with related parties has been made in Notes on Accounts – “Schedule O” forming part of the Annual Report.

- (b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

On a matter concerning allotment *inter alia* to, and sale by, the Company of equity shares of RAP Media Limited, a listed company, where certain provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI (Prohibition of Insider Trading) Regulations, 1992 were allegedly not adhered to, the Company with two other companies acting-in- concert (collectively called “Noticees”) had made a joint application for consent order to SEBI on 18.09.2008. SEBI accepted the consent application and passed in principle approval for settlement of the issue on a payment of Rs.15,00,000/- collectively by the Noticees. The said amount was paid and SEBI has passed consent order dated 20.01.2010. The matter was settled without any admission or denial of guilt on the part of the Noticees to the findings of fact or conclusion of law.

Other than the matter referred to above there is no instance of non-compliance by the Company on any matter related to capital markets during the last three years.

- (c) **Management Discussion & Analysis Report is a part of the Directors’ Report for the year ended 31.03.2010.**

- (d) **Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Board at its meeting held on 29.05.2009, formulated a Whistle Blower Policy.

The Policy is posted on the website of the Company.

- (e) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

All mandatory provisions have been complied with. The Company has adopted the whistle blower policy which is a non-mandatory requirement.

**12. Secretarial Audit:**

In compliance to the circular received from the Stock Exchanges mandating all listed companies to subject themselves to a Secretarial Audit for purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital, the Company confirms that there exist no discrepancies with regard to its admitted capital. A certified report to this effect by Practicing Company Secretary Messrs Savita Jyoti Associates, is submitted at close of each quarter to the Stock Exchanges.

## CHALLENGES AND BEYOND

### 13. Means of Communication:

- (a) **Quarterly Results:** Quarterly results are published in 'The Free Press Journal' and 'Navshakti' and are displayed in the Company's website.
- (b) **News Releases, Presentations, etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website. Official media releases are sent to the Stock Exchanges.
- (c) **Website:** The Company's website: [www.jaicorpindia.com](http://www.jaicorpindia.com) contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report, quarterly results and shareholding pattern of the Company are also available on the website in a user-friendly and downloadable form.
- (d) **Annual Report:** Annual Report containing, inter alia, audited annual accounts, consolidated financial statements, Directors' Report, Auditors' Report, Corporate Governance Report, Notice of Annual General Meeting and other important information is circulated to the members and other entitled to receive it. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report. Annual Reports are posted on the Company's website.
- (e) **Reminder to Investors:** Reminder to investors to cash unclaimed dividend is included in the Notice to the Annual General Meeting.
- (f) **SEBI Electronic Data Information Filing and Retrieval System (EDIFAR):** Annual Report, Quarterly Results, Shareholding Pattern, Quarterly Corporate Governance Report etc. of the Company are posted on the SEBI EDIFAR website: [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in). However, filing with EDIFAR has been discontinued by SEBI with effect from 01.04.2010.
- (g) **Corporate Filing and Dissemination System (CFDS):** The CFDS portal jointly owned and managed by BSE and NSE is a single source to view information filed by listed companies. Filings done by the Company with the Stock Exchanges are also available at this site: [www.corpfiling.co.in](http://www.corpfiling.co.in).
- (h) **Designated exclusive email-id:** The Company has designated the following email id exclusively for investor servicing: [cs2@jaicorpindia.com](mailto:cs2@jaicorpindia.com).

### 14. General Shareholder Information:

- (i) **25th Annual General Meeting: Date, Time and Venue:**  
Wednesday, the 1<sup>st</sup> day of September, 2010, at 11:00 a.m. at the Registered Office of the Company at A-3, M.I.D.C. Industrial Area, Nanded – 431 603, Maharashtra.
- (ii) **Financial Year** : 01-04-2010 to 31-03-2011
- (iii) **Financial Calendar (Tentative)**
  - Results for the quarter ended June, 2010 : 1<sup>st</sup> week of August, 2010
  - Results for the quarter ended September, 2010 : 1<sup>st</sup> week of November, 2010
  - Results for the quarter ended December, 2010 : 1<sup>st</sup> week of February, 2011
  - Results for the quarter ended March, 2011 : Last week of May, 2011
  - Annual General Meeting : Last week of August, 2011
- (iv) **Dates of Book Closure** : 17-08-2010 to 01-09-2010 (both days inclusive)
- (v) **Dividend Payment Date** : On or after 01-09-2010
- (vi) **Listing on Stock Exchanges :**

The Company's shares are listed on the following Stock Exchanges:

Bombay Stock Exchange Limited	National Stock Exchange of India Limited.
Phiroze Jeejeebhoy Towers,	Exchange Plaza, 5th Floor, Plot No. C/1,
Dalal Street,	G Block, Bandra- Kurla Complex,
Mumbai 400 001.	Bandra (East), Mumbai – 400 051.

Annual Listing Fees have been paid to the above Stock Exchanges for the financial year 2009-10.

**(vii) Stock Code:**

Bombay Stock Exchange (BSE): 512237  
 National Stock Exchange (NSE): JAICORPLTD  
 Demat ISIN for NSDL and CDSL : INE070D01027

**(viii) Registration details with Registrar of Companies:**

The Company is registered in the State of Maharashtra, India. It falls under the jurisdiction of the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs (MCA):

L17120MH1985PLC036500

**(ix) Registrars and Share Transfer Agents:**

KARVY COMPUTERSHARE PRIVATE LIMITED  
 Unit: Jai Corp Limited  
 Plot No. 17-24, Vittal Rao Nagar, Madhapur Hyderabad- 500 081  
 Tel. Nos.: (91-40) 2342 0815-28; Fax: (91-40) 2342 0814  
 E-mail: einward.ris@karvy.com

**(x) Address for correspondence:**

Shareholders' correspondence should be addressed to the Registrar and Share Transfer Agents of the Company at the address mentioned above.

The Shareholders can also contact the Company through e-mail: cs2@jaicorpindia.com

**(xi) Website :** www.jaicorpindia.com

**(xii) Share transfer system:**

Presently, the share transfers in physical form are registered and returned within the stipulated period of 10 to 15 days from the receipt, if the documents are clear in all respects.

**(xiii) Dematerialization of shares:**

The Equity Shares of the company are traded in compulsory dematerialized form by all the investors' w.e.f. 09.03.2001.

The Company has entered into agreements with both the depositories viz, National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL), enabling the investors to hold shares of the Company in electronic form through the depository of their choice.

As on 31.03.2010, the number of dematerialized equity shares was 17,71,06,950 which represents 99.22% of the total paid up equity capital.

**(a) Details of dematerialized and physical shares as on 31.03. 2010:**

Sr. No.	Particulars	No. of Shareholders	No. of Equity Shares	% Equity Shares
1.	CDSL	28,754	45,71,065	2.56
2.	NSDL	51,446	17,25,35,885	96.66
	Total Demat Holding	80,200	17,71,06,950	99.22
3.	Physical	1,116	1,38,70,60	0.78
	<b>Total</b>	<b>81,316</b>	<b>17,84,94,010</b>	<b>100.00</b>

**(b) Liquidity:**

The number of the Company's Equity Shares that were traded in the BSE and NSE during 01.04.2009 and 31.03.2010 and the value thereof are given below:

Particulars	BSE	NSE	Total
Shares (nos.)	11,69,81,408	18,18,78,068	29,88,59,476
Value ( in Rs. lakh)	2,98,245.69	4,69,152	7,67,397.69

## CHALLENGES AND BEYOND

(xiv) **Outstanding GDRs /ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity –**

Not Applicable as the Company has not issued such instrument.

(xv) **Plant Locations :**

**Division Location**

Steel Nanded, Maharashtra.

Plastic Processing Khadoli, Silvassa (Dadra & Nagar Haveli - U.T.), Dabhel, Daman (Daman & Diu - U.T.)- 2 Units and Pithampur, Indore (M.P.)

Plastic Processing and Master Batch Dabhel, Daman (Daman & Diu-U.T.)

Plastic Processing and PSF Athal, Silvassa (Dadra & Nagar Haveli - U.T.)

Textile- Twisting Masat, Silvassa (Dadra & Nagar Haveli - U.T.)

Textile- Dyeing Sarigam, Valsad, Gujarat

Textile- Spinning Vasona, Silvassa (Dadra & Nagar Haveli - U.T.)

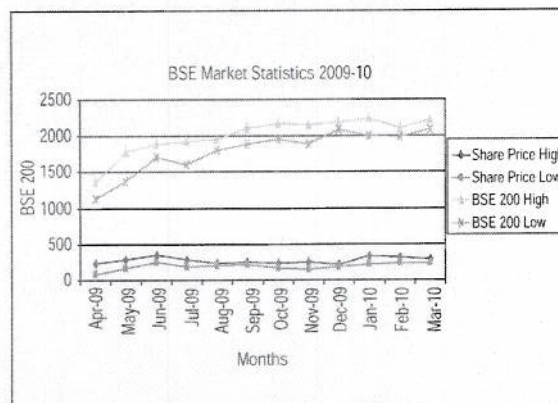
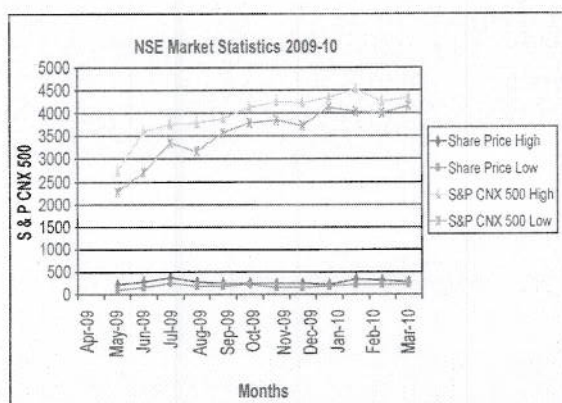
(xvi) **Market price data during each month in last financial year on the**

**National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) :**

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	225.80	79.25	223.80	79.00
May, 2009	274.55	157.85	274.15	159.00
June, 2009	362.70	252.65	349.80	251.85
July, 2009	278.60	187.35	286.50	187.00
August, 2009	239.20	193.10	236.85	192.00
September, 2009	245.80	216.6	244.00	217.00
October, 2009	235.00	160.55	234.45	160.30
November, 2009	254.40	150.00	253.70	150.20
December, 2009	223.50	194.50	223.00	184.60
January, 2010	329.60	210.05	329.90	210.50
February, 2010	317.50	226.35	317.50	226.25
March, 2010	282.00	230.15	281.40	230.50

(xvii) **Performance in comparison to broad based indices:**

The Company's shares form part of the S&P CNX500 index of the NSE and BSE 200 index of the BSE.



(xviii) Distribution of equity shareholding as on 31.03.2010 is as follows:

Sr. No.	Category from - to	No. of share holders	No. of Shares	% of Holders
1	1- 5,000	80,905	1,06,89,308	99.50
2	5,001-10,000	220	15,49,426	0.27
3	10,001-20,000	89	13,22,984	0.11
4	20,001-30,000	24	5,86,377	0.03
5	30,001-40,000	12	4,11,793	0.01
6	40,001-50,000	11	5,17,188	0.01
7	50,001-1,00,000	14	10,59,114	0.02
8	1,00,001 and above	41	16,23,57,820	0.05
	<b>TOTAL</b>	<b>81,316</b>	<b>17,84,94,010</b>	<b>100.00</b>

(xix) The equity shareholding pattern as on 31.03. 2010 is as follows:

Sr. No.	Description	No. of share holders	No. of Shares	% of share capital
1	Promoters, non- promoter Directors and their relatives	20	13,02,85,800	72.99
2	Mutual Funds	12	2,85,080	0.16
3	Financial Institutions and Banks	13	35,79,696	2.01
4	Bodies Corporate	1,492	50,03,087	2.80
5	NRI / Foreign Nationals / FII / Foreign Bodies Corporate	640	2,70,12,736	15.13
6	Resident Individuals/ HUF	78,923	1,19,55,378	6.71
7	Trusts	2	71,100	0.04
8	Clearing Members	213	2,56,533	0.14
9	Forfeited Shares	1	44,600	0.02
	<b>TOTAL</b>	<b>81,316</b>	<b>17,84,94,010</b>	<b>100.00</b>

(xx) Build up of equity share capital:

Sr. No.	Particulars	Year of Event	No. of Shares
1.	Subscribers to the Memorandum	1985	70
2.	Further Issue	-do-	1,99,930
3.	Public Issue	-do-	3,00,000
4.	Rights Issue	1987	3,00,000
5.	Bonus Issue	1994	24,00,000
6.	Public Issue	1994	11,00,000
7.	Amalgamation of Sipta Coated Steels Limited and Comet Steels Limited with the Company	1996	49,63,522
8.	Cancellation of shares under Scheme of Arrangement	2002	6,32,122
9.	Share Split (1:10)	2007	8,63,14,000
10.	Bonus Shares (1:1 excluding shares forfeited but not cancelled or re-issued)	-do-	8,62,69,400
11.	Preferential Offer	-do-	59,10,610

(xxi) Transfer of Unclaimed & Unpaid Dividend Amount to Investor Education & Protection Fund:

During the year under review, no amount was required to be credited to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 and the IEPF (Awareness and Protection of Investors) Rules, 2001.



**DECLARATION ON CODE OF CONDUCT**

As required by Clause 49(1D) of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

Mumbai,  
25<sup>th</sup> May, 2010

**Gaurav Jain**  
Managing Director & Chief Executive Officer

**CERTIFICATE OF CORPORATE GOVERNANCE**

To,  
The Members,  
**JAI CORP LIMITED,**

We have examined the compliance of conditions of Corporate Governance by JAI CORP LIMITED, for the year ended on 31<sup>st</sup> March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For CHATURVEDI & SHAH**  
Firm Registration No. 101720W  
Chartered Accountants

**For S.R. BATLIBOI & Co.**  
Firm Registration No.301003E  
Chartered Accountants

**R. Koria**  
Partner  
Membership No.: 35629

**per Vijay Maniar**  
Partner  
Membership No.: 36738

Place: Mumbai  
Date: 25th May 2010

Place: Mumbai  
Date: 25th May 2010