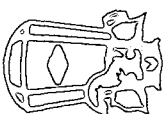


MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
ACM	✓	✓	SHI	✓
YE				

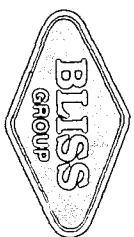


Report  Junction.com

# JUMBO BAG LIMITED

Eighth Annual Report  
1997-98

# JUMBO



WE SHARE OUR JOY



# Jumbo Bag Ltd.

## BOARD OF DIRECTORS

<b>Sri S.Nandagopal</b>	Chairman
<b>Sri G.Sudhakar</b>	Vice Chairman-cum- Managing Director
<b>Sri G.P.N.Gupta</b>	Director-Finance
<b>Sri G.Radhakrishna</b>	Director
<b>Dr. G.Govindaiah</b>	Director
<b>Sri B.Pratap Reddy</b>	Director, I.A.S.(Retd.)
<b>Sri M.Rama Rao</b>	Director
<b>Dr. M.Ravindranath</b>	Director
<b>Sri G.V.Ramesh Babu</b> (Alternate to Dr.G.Govindaiah)	Director

## BANKERS OF THE COMPANY

State Bank of Hyderabad

## LISTED AT STOCK EXCHANGES :

The Madras Stock Exchange Ltd.,  
Exchange Building, Po.Box No.183,  
11, Second Line Beach, Chennai 600 001.

The Stock Exchange, Mumbai,  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street, Mumbai 400 001.

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## AUDITORS

M/s.M.Srinivasan & Associates  
Chartered Accountants  
Chennai.

## SOLICITOR

Sri R.Sundarrajan  
Advocate  
Chennai.

## SHARE TRANSFER AGENTS

M/s.Primsec Market Services  
(India) Pvt. Limited  
391, 8th East Street,  
Kamaraj Nagar, Tiruvanmiyur,  
Chennai - 600 041.

## WORKS

75 Thatchur Kootu Road,  
Panjetti Village,  
Ponneri Taluk,  
Thiruvallur District - 601 204.  
Tamil Nadu.

## REGISTERED OFFICE

5 Sir Thyagaraya Road,  
T.Nagar,  
Chennai - 600 017.


**Jumbo Bag Ltd.**

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 8th ANNUAL GENERAL MEETING of JUMBO BAG LTD. will be held at RANI SEETHAI HALL, 603, Anna Salai, Chennai 600 006 on SATURDAY the 26th day of September, 1998 at 12.30 p.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31st March, 1998 and Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Sri G.Radhakrishna who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr.G.Govindaiah who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Sri M.Rama Rao who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

### Special Business

7. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the resolution passed at the Extraordinary General Meeting held on 10th February, 1992, the Directors of the Company be and are hereby authorised to borrow moneys from time to time for the purpose of carrying on the business of the Company notwithstanding that such borrowings, together with moneys already borrowed by the Company (apart from temporary loans obtained if any, from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose for the time being and from time to time but so that the total amount of moneys so borrowed by the Directors shall not exceed the sum of Rs.50 Crores."
8. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to Sri G.S.Anil Kumar, son of Sri G.Sudhakar, Managing Director of the Company to hold an office or place of profit under the Company as the Senior Manager (Finance) with effect from the 1st day of October, 1997 at a revised remuneration as detailed hereunder:
  - a) Basic salary Rs.8,500/- per mensem in the time-scale of pay of Rs.8,500-750-12,250.
  - b) House Rent Allowance @20% of the basic salary.
  - c) Contribution to Provident and Superannuation Funds as per the rules of the Company.
  - d) Medical benefits for self and family provided that the total expenses on this account should not exceed one month's basic salary per year or three months salary in a period of three years.
  - e) Leave Travel Concession as per the rules of the Company.
  - f) Personal Accident Insurance premium not exceeding Rs.3,000/- p.a.
9. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 314 and other applicable provisions if any of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to Sri G.P.Ramraj, son of Sri G.P.N.Gupta, Director-Finance of the Company to hold an office or place of profit under the Company as the Senior Manager (Marketing) with effect from the 1st day of October, 1997 at a revised remuneration as detailed hereunder:
  - a) Basic salary Rs.8,500/- per mensem in the time-scale of pay of Rs.8,500-750-12,250.
  - b) House Rent Allowance @20% of the basic salary.
  - c) Contribution to Provident and Superannuation Funds as per the rules of the Company.
  - d) Medical benefits for self and family provided that the total expenses on this account should not exceed one month's basic salary per year or three months salary in a period of three years.
  - e) Leave Travel Concession as per the rules of the Company.
  - f) Personal Accident Insurance premium not exceeding Rs.3,000/- p.a.

By order of the Board

Place : Chennai  
Date : 25-7-1998

**G.SUDHAKAR**  
Vice Chairman-cum-Managing Director



**Jumbo Bag Ltd.**

**Notes :**

1. The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business set out under items 7 to 9 is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies should be lodged at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
3. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
4. Members are requested to bring their copy of the Annual Report. No additional copies will be provided at the venue.
5. Members are requested to intimate to the Company, queries, if any, regarding these accounts/notice, atleast seven days before the meeting to enable the management to keep the required information readily available at the meeting.
6. Dividend, if declared, will be paid to the members whose names appear on the Register of Members as on September 26, 1998.
7. The Register of Members of the Company will remain closed from 16th September 1998 to 26th September 1998 (both days inclusive).
8. Members are requested to communicate their change of address, if any, quoting their respective folios.

**ANNEXURE TO NOTICE**

**Explanatory Statement Under Section 173 (2) of the Companies Act, 1956.**

**Item No.7**

The present limit of Rs.10 Crores was sanctioned to the Board under Section 293(1)(d) of the Companies Act, 1956, at the members meeting held on 10th February, 1992. In view of the increase in the volume of business activities of the Company, it is proposed to increase the present borrowing limit of Rs.10 Crores to Rs.50 Crores for which the approval of the members is necessary in terms of Section 293(1)(d) of the Companies Act, 1956.

None of the Directors of the Company is in any way concerned or interested in the resolution. The Directors recommend the resolution for your approval.

**Item No.8**

Section 314(1)(b) of the Companies Act, 1956 inter alia provides that no relative of a Director of a Company who holds an office or place of profit, shall hold any office or place of profit in the Company which carries total monthly remuneration of not less than ten thousand rupees, except with the consent of the Company accorded by a Special Resolution. However it shall be sufficient if the consent of the Company is obtained at the general meeting of the Company held for the first time after the holding of such office or place of profit.

Sri G.S.Anil Kumar, son of Sri G.Sudhakar, the Managing Director of the Company, is working as Senior Manager (Finance) in the Company since 1992. He is a Commerce Graduate and Chartered Accountant looking after the finance portfolio of the Company and having very rich and successful career behind him.

Considering his successful results in this organisation, it will be more beneficial to the Company, especially in the area of financial management, if we encourage him by allowing some increase in his remuneration as mentioned in the Resolution of item No.8 of the accompanying Notice. The Board of Directors at their meeting held on 24.11.1997 have approved the payment of enhanced remuneration to Sri G.S.Anil Kumar effective from 1.10.1997. The Board has reserved its authority to grant increment in salary to Sri G.S.Anil Kumar at its sole discretion within the scale mentioned in the aforesaid Resolution.

None of the Directors except Sarvasri G.Sudhakar, G.P.N.Gupta and G.Radhakrishna, is directly or indirectly interested in the resolution. Since it requires the approval of the members, the Board recommends this resolution.

**Item No.9**

Section 314(1)(b) of the Companies Act, 1956 inter alia provides that no relative of a Director of a Company who holds an office or place of profit, shall hold any office or place of profit in the Company which carries total monthly remuneration of not less than ten thousand rupees, except with the consent of the Company accorded by a Special Resolution. However it shall be sufficient if the consent of the Company is obtained at the general meeting of the Company held for the first time after the holding of such office or place of profit.

Sri G.P.Ramraj, son of Sri G.P.N.Gupta, Director-Finance of the Company, is working as Senior Manager (Marketing) in the Company since 1991. He is a Commerce Graduate with wide experience in marketing. He is looking after the marketing portfolio of the Company and having very rich and successful career behind him.

Considering his successful results in this organisation, it will be more beneficial to the Company, especially in the area of international market, if we encourage him by allowing some increase in his remuneration as mentioned in the Resolution of item No.9 of the accompanying Notice. The Board of Directors at their meeting held on 24.11.1997 have approved the payment of enhanced remuneration to Sri G.P.Ramraj effective from 1.10.1997. The Board has reserved its authority to grant increment in salary to Sri G.P.Ramraj at its sole discretion within the scale mentioned in the aforesaid Resolution.

None of the Directors except Sarvasri G.P.N.Gupta, G.Sudhakar and G.Radhakrishna, is directly or indirectly interested in the resolution. Since it requires the approval of the members, the Board recommends this resolution.

By order of the Board

Place : Chennai  
Date : 25-7-1998

**G.SUDHAKAR**  
Vice Chairman-cum-Managing Director

**Jumbo Bag Ltd.**

## DIRECTORS' REPORT

The Directors present their Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

### FINANCIAL RESULTS

The operating margins were under pressure throughout the year mainly due to increase in input cost & overheads, reduction in selling price and global recession. Severe competition in the market had also a significant impact on the volume of sales.

	(Rs. in lakhs)
Operating Profit	188.13
Less Depreciation	51.71
Profit before tax	136.42
Provision for tax	6.31
Profit after tax	130.11
Less Loss b/f from Previous Year	37.83
Net Profit	92.28
<b>APPROPRIATIONS</b>	
Proposed Dividend	68.68
Tax on proposed dividend	6.87
Transfer to General Reserve	10.00
Surplus Carried to Balance Sheet	6.73
	92.28

### OPERATIONS

During the year under review your company has taken up many steps for optimising the company's operations. Due to Global recession exports in general have dropped and this will continue for some more time. Domestic demand in the South East Asian countries has come down due to recession in those countries which has resulted in surplus stock and devaluation of South East Asian Currencies made their products extremely cheap. Non-availability of credit system has hampered polymer industry and more thrust is given to exports to outside the South East Asian Region. Number of European countries have put anti-dumping duties for number of products including Plastic Woven Sacks.

National and international competition has become severe which resulted in prices both national and international taking a beating. All these factors have affected Jumbo Bag exports.

Despite various adverse factors which the company had to face, the company achieved during the year turnover of Rs.13.16 Crores as against Rs.8.63 Crores of 1996-97. A growth rate of 53% was attained. This was possible due to consistent quality policy and prompt service provided and goodwill earned by your company.

### DIVIDEND

The Directors are pleased to recommend payment of dividend @12% subject to approval by the shareholders at the Annual General Meeting.

### PROJECTIONS VS PERFORMANCE (IN TERMS OF CLAUSE 43 OF LISTING AGREEMENT)

We furnish hereunder the comparison of projected figures as per Prospectus dated May 16, 1994 with the actual figures for the year ended 31st March, 1998.

Particulars	Projections (Rs. in lakhs)	Performance
Income from Operations	1235	1315.68
Profit after tax	246	130.11
E.P.S. (In Rs.)	4.30	2.27