

13th

ANNUAL REPORT 2002 - 2003

BLISS
GROUP



JUMBO BAG LIMITED

ISO 14001:1996



Certificate of Registration

KPMG Quality Registrar (A business unit of KPMG) hereby certifies that based on the results of the initial assessment, the environmental management system of:

Jumbo Bag Limited

15, Thuthur Koodu Road, Ponnent Taluk, Thiruvallur District 601 201, Tamil Nadu, India

complies with the requirements as stipulated in the standard:

ISO 14001 : 1996

For the scope:

Manufacture of plastic flexible intermediate bulk containers (jumbo bags) upto 2000 kg capacity and plastic liner fabric and other accessories

Certificate Number: 05F0097
Effective Date: July 8, 2003
Issue Date: July 16, 2003
Expiration Date: July 7, 2006

Sheshshah

Suresh Shah
Executive Director, KPMG



Approved by
the Quality Council
of India

This registration is given subject to the conditions governing the use of this certificate as set forth in the agreement between KPMG Quality Registrar and the holder thereof.

Registration does not ensure the effectiveness of an environmental management system.

KPMG is a partnership firm registered under the provisions of Indian Partnership Act and is a member firm of KPMG International Office (KPMG) House, Parkside Mills Compound, 405, Narayana Road, Bangalore, Karnataka - 560 075, India.

VISION & MISSION

TO BE
WORLD LEADERS
IN INDUSTRIAL
PACKAGING BY
PROVIDING ONE
STOP SOLUTION
THROUGH
CONTINUOUS
INNOVATION
AND
TOTAL EMPLOYEE
INVOLVEMENT

ISO 9001:2000



Certificate of Registration

KPMG Quality Registrar (A business unit of KPMG) hereby registers:

Jumbo Bag Limited

15, Thuthur Koodu Road, Ponnent Taluk, Thiruvallur District - 601 201, Tamil Nadu, India

and its quality system as assessed in accordance to the Standard:

ISO 9001:2000

For the scope:

Manufacture of plastic flexible intermediate bulk containers (jumbo bags) upto 2000 kg capacity, container liner, fabric and other accessories.

Certificate Number: 0210841
Effective Date: March 12, 2003
Issue Date: March 26, 2003
Expiration Date: March 11, 2006

Sheshshah

Suresh Shah
Executive Director, KPMG



Approved by
the Quality Council
of India

This registration is given subject to the conditions governing the use of this certificate as set forth in the agreement between KPMG Quality Registrar and the holder thereof.

Registration does not ensure the effectiveness of a quality system.

KPMG is a partnership firm registered under the provisions of Indian Partnership Act and is a member firm of KPMG International



Jumbo Bag Ltd.

BOARD OF DIRECTORS

Sri N.D. Prabhu	Chairman
Sri G. Sudhakar	Vice Chairman-cum-Managing Director
Sri G.P.N. Gupta	Director-Finance
Sri G. Radhakrishna	Director
Dr. G. Govindaiah	Director
Sri B. Pratap Reddy, I.A.S. (Retd.)	Director
Sri M. Rama Rao	Director
Sri G.V. Ramesh Babu	Director
(Alternate to Dr.G. Govindaiah)	
Sri K.J.M. Shetty, I.A.S.(Retd.)	Director

COMPANY SECRETARY

R. Deenadayalu

AUDITORS

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

REGISTERED OFFICE

No.46, Halls Road, Kilpauk,
Chennai - 600 010.
Phone : 26451722, 26461415, 26471769
Fax : 91-44-26451720
E-Mail : info@blissgroup.com
Website : http://www.blissgroup.com

BANKERS

State Bank Of Hyderabad
Andhra Bank

SOLICITORS

R. Sundarajan,
Advocate, Chennai.

WORKS

No. 75 Thatchur Kootu Road,
Panjetty Village, Ponneri Taluk,
Thiruvallur District - 601 204.

No. 106, G.N.T.Road, Athipedu Village,
Alinjivakkam P.O., Ponneri,
Ponneri Taluk,
Thiruvallur District - 600 067

SHARES LISTED WITH

The Madras Stock Exchange Ltd.
The Stock Exchange, Mumbai

REGISTRARS AND SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Ltd.,
Subramanian Building,
No.1, Club House Road, Chennai - 600 002.

DEPOSITORY SYSTEM

The trading of the Company's shares in dematerialised form has been made compulsory for all investors w.e.f. June, 2001. The Company has already established connectivity with NSDL and CDSL through M/s.Cameo Corporate Services Limited, Chennai. The shareholders may dematerialise their shares under ISIN:INE699D01015

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Jumbo Bag Ltd.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at Satguru Gnanananda Hall, (Narada Gana Sabha), New No.314, (Old No.254), TTK Road, Alwarpet, Chennai-600 018 at 10.30 a.m. on Tuesday, the 30th September, 2003 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and the Profit & Loss account for the year ended on that date and the report of the Directors and Auditors.
2. To declare dividend to Preference shareholders.
3. To declare dividend to Equity shareholders.
4. To appoint a Director in the place of Sri G. Radhakrishna, who retires by rotation and who, being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Sri M. Rama Rao, who retires by rotation and who, being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration. The retiring Auditors Messrs.M. Srinivasan & Associates, Chartered Accountants are eligible for re-appointment. In this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Messrs.M. Srinivasan & Associates, Chartered Accountants, be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be determined by the Board of Directors."

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT consent of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the company, for mortgaging and/or charging of all movable and immovable properties of the company, wheresoever situate, both present and future, by way of first charge on pari-passu basis, and or second charge in favour of banks or in favour of IDBI Limited and/or any other Bank(s) and/or Financial Institution(s) to secure financial assistance in the form of term loan and working capital facilities which may be lent and advanced together with interest, compound interest, additional interest, further interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies payable by the Company to IDBI Limited and/or any other Bank(s) and/or Financial Institution(s) under the respective Loan Agreements/Letter of Sanction/Memorandum of terms and conditions as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IDBI Limited and/or any other Bank(s) and/or Financial Institution(s) the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."



8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT consent be and is hereby accorded for the appointment of Sri G.R. Praveen Kumar, relative of Sri G. Radhakrishna, Director, as Management Executive for a period of five years with effect from 01.04.03 on the following terms and conditions:"

(a) Basic Salary - Rs.10,000/- p.m. in the time scale of pay of Rs.10,000-750-12,250-1,500-16,750.

(b) Other allowances as per the rules of the Company.

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT the following be inserted as Article 87A after the existing Article 87."

87A - Notwithstanding anything contained in the Articles of Association of the company, the company do adopt the mode of passing a resolution by the members of the company by means of a Postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of the matters as may be specified by the Central Government by notification or otherwise instead of transacting such business in a General meeting of the company in accordance with the procedure and rules as may be prescribed by the Central Government in that behalf.

Registered Office:

No.46, Halls Road, Kilpauk,
Chennai - 600 010.

By Order of the Board
for **JUMBO BAG LIMITED**

R. DEENADAYALU

General Manager (Legal) -Cum-
Company Secretary

Date: July 26, 2003

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 6 to 9 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 THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME FOR 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 the accounts/notice, atleast seven days before the meeting to enable the management to keep the required information readily available at the meeting.
6. The Register of Members of the company will remain closed from 25th September, 2003 to 30th September, 2003 (both days inclusive).
7. Members who hold shares in Dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.



Jumbo Bag Ltd.

8. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during normal business hours on any working day.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956 dividend which remain unclaimed for a period of seven years will have to be transferred to the Investors Education and Protection Fund of the Central Government. The Company has declared dividend @12% for the year 1997-98 and @12.5% for the year 1998-99 and the dividend warrants have been sent to all the shareholders in time. Members who have not encashed the dividend warrants for the years 1997-98 and 1998-99 are requested to make their claim to the company.

10. Re-appointment of Directors:

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a brief background, functional expertise of the directors proposed for appointment/re-appointment are furnished below along with the details of companies in which they are directors and the committees of which they are members:

Sri G. Radhakrishna aged about 51 years has an experience of over 35 years in the industry.

He is a Director in the following companies:

1. Stanpacks (India) Limited
2. Balaji Trading Enterprises Private Limited
3. Bliss Benefit Fund Limited
4. Bhavana Info Private Limited

He is Chairman of Shares Transfer Committee and member of Audit Committee and Shareholder / Investors Grievances Committee.

Sri M. Rama Rao aged about 58 years has an experience of over 30 years in the industry.

He is Managing Director of Suryachandra Paper Mills Limited, Andhra Pradesh.

He is not a member in any Committee.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The Explanatory Statement for item Nos. 6 to 9 of the accompanying Notice set out hereinabove is as under:

Item No.7

In order to meet the requirement of the expansion plan, the Company has approached financial institutions/banks for loan facilities. The facilities to be secured by way of first charge, on pari passu basis, on all the immovable and movable properties present and future of the Company. Section 293(1)(a) of the Companies Act, 1956 provides, inter-alia, that the Board of Directors of the Company shall not, without the consent of members in general meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertakings, whole or substantially the whole of such undertakings. The mortgage by the Company of its movable and immovable properties as aforesaid in favour of financial institution and/or any other Bank(s) and/or Financial Institution(s) may be regarded as disposal of Company's properties/undertakings and hence the Board recommends your acceptance thereof in the interest of the Company.

Accordingly necessary Ordinary Resolution is placed before the members under Item No.7 of the Notice for consideration and approval.

None of the Directors of the Company is concerned or interested in the said resolution.

**Item No.8**

Section 314 (1) of the Companies Act, 1956 requires the consent of the members by a Special Resolution, whenever a relative of a director holds an office or place of profit in the company on a total monthly remuneration of Rs. 10,000/- and above. The said consent of members should be obtained in the first general meeting held immediately after such an appointment. The shareholders consent is required at the time of appointment and to every subsequent appointment to such office on a higher remuneration not covered by the Special Resolution, except where an appointment on a time scale has already been approved by the Special Resolution.

Sri G.R. Praveen Kumar, relative (son) of Sri G. Radhakrishna, Director was appointed as a Management Executive for a period of five years with effect from 01.04.03 on the following terms and conditions:

- (a) Basic Salary - Rs. 10,000/- p.m. in the time scale of pay of Rs. 10,000-750-12,250-1,500-16,750.
- (b) Other allowances as per the rules of the Company.

Sri G.R. Praveen Kumar is a Commerce Graduate with a Masters degree in Business Systems awarded by Monash University, Australia. He is also an Honours Diploma holder in Networking Centered Computing, Certificate in Quality Management Programme and the like. He has to his credit, more than a year's experience in marketing. It would be of immense benefit to the Marketing department by his appointment.

The Board has reserved its Authority to grant increment/s in salary to Sri G.R. Praveen Kumar at its sole discretion within the scale mentioned above.

None of the Directors except Sri G. Radhakrishna is directly or indirectly interested in the aforesaid resolution, and hence the Board recommends your acceptance thereof in the interest of the Company.

Accordingly necessary Special Resolution is placed before the members under item No.8 of the Notice for consideration and approval.

Item No.9

Section 192A of the Companies Act, 1956, inserted by the Companies (Amendment) Act, 2001, requires a Listed Public Company to pass certain resolutions by means of a Postal ballot instead of transacting the same in the General Meeting of the Company. The Central Government has framed The Companies (Passing of Resolutions by Postal ballot) Rules, 2001.

It is proposed to amend the existing Articles of Association by inserting a suitable clause to facilitate the company to pass resolutions by Postal ballot.

None of the directors is directly or indirectly interested in the aforesaid resolution, and hence the Board recommends your acceptance thereof in the interest of the company.

Accordingly necessary Special Resolution is placed before the members under item No.9 of the Notice for consideration and approval.

By Order of the Board
for **JUMBO BAG LTD.**

R. DEENADAYALU
General Manager (Legal) -Cum-
Company Secretary

Chennai
Date: July 26, 2003


Jumbo Bag Ltd.

REPORT OF THE DIRECTORS

Your Directors have pleased in presenting the Thirteenth Annual Report together with the audited accounts for the year ended March 31, 2003.

A. FINANCIAL RESULTS

(Rs.in Lakhs)

	2002-2003	2001-2002
Sales and Operating Revenues	2468.15	2017.20
Profit before tax	134.50	94.65
Provision for tax	56.70	27.22
Profit after tax	77.80	67.43
Add/(Less): Prior period adjustments	(2.64)	4.29
Add: Profit b/f from previous year	216.77	159.80
Profit available for appropriation	291.93	231.52

Your company sustained operational performance despite cost pressures. This has been possible mainly due to pursuit of newer markets coupled with aggressive cost control and productivity improvement measures.

B. DIVIDEND

Profits available for appropriation being Rs.291.93 Lakhs, your Directors are pleased to recommend dividend of 7.5% on the Equity Capital for the year ended March 31, 2003. The amount inclusive of tax on distributed profit and surcharge thereon amounts to Rs.48.43 Lakhs. Your Directors are also pleased to recommend dividend at the agreed rate of 13% on the Redeemable Preference Shares and the amount inclusive of tax on distributed profit and surcharge thereon amounts to Rs.12.72 Lakhs. This leaves the Company with retained profit of Rs.230.78 Lakhs.

C. SUBSIDIARY COMPANIES

Your company has no subsidiary company.

D. DEPOSITS

The company has not accepted any fixed deposits during the year within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

E. DIRECTORS

Sri G. Radhakrishna and Sri M. Rama Rao retire by rotation and being eligible offer themselves for re-election. Sri S. Nandagopal has resigned with effect from 20.9.2002 from the Directorship. The Board places on record its appreciation of the valuable contribution he made during his tenure. Sri N.D. Prabhu was elected as the Chairman for the Board and Audit Committee.

F. AUDIT COMMITTEE

Your Directors have constituted the Audit Committee in line with Clause 49 of the listing agreement and the provisions of the Companies Act, 1956. The Audit Committee comprises of the following Directors:

1. Sri N.D. Prabhu, 2. Sri B. Pratap Reddy, 3. Sri G. Radhakrishna

**Jumbo Bag Ltd.****G. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

H. EMPLOYEES

There is no case for report under Section 217(2A) of the Companies Act, 1956.

I. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors hereby confirm that they have:

- i) Followed the applicable accounting Standards in the preparation of the annual accounts;
- ii) Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for the year under review;
- iii) 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 detecting fraud and irregularities;
- iv) Prepared the accounts for the financial year on a "going concern" basis.

J. AUDITORS AND AUDIT REPORT

Your company's auditors M/s.M.Srinivasan & Associates retire at the ensuing Annual General Meeting and are eligible for re-appointment. The declaration under section 224 (1)(B) of the Companies Act, 1956 has been received from them.

With reference to note 4(e) of the Audit Report, the Company has already initiated appropriate legal action. The Company expects to recover the amount and therefore no provision has been made.

K. CORPORATE GOVERNANCE REPORT

Your company's endeavour has always been to adhere to all applicable legislation and to comply therewith. The company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the amended Listing agreements of the Stock Exchanges with which the company is listed, are complied with.

A report on Corporate Governance, along with a certificate from the Auditors confirming compliance, is annexed and forms part of the Directors' report.

L. APPRECIATION

Your Directors wish to place on record their gratitude to the Central Government and Government of Tamilnadu, Financial Institutions and the Company's Bankers for their help and co-operation extended throughout the year. Your Directors also wish to convey their thanks to the valued shareholders of the Company. Your Directors also note their satisfaction the good work turned out by the employees which has resulted in getting ISO 9001-2000 and ISO 14001 Certifications. They have always been a big source of strength to the management.

For and on behalf of the Board

Chennai
July 26, 2003.

N.D. PRABHU
CHAIRMAN.


Jumbo Bag Ltd.

ANNEXURE TO REPORT OF THE DIRECTORS

FORM - A

ANNEXURE - I

Form of disclosure of particulars with respect to Conservation of Energy.

	Current Year 2002-2003	Previous Year 2001-2002
1. Electricity purchased from Tamilnadu Electricity Board.		
a. Total units purchased consumed	26,48,916	20,11,928
b. Total amount of Electricity bill	Rs.1,16,26,421	Rs. 87,94,030
c. Rate per unit (In Rs.)	4.39	4.37
2. Own generation through Diesel generator	2002-2003	2001-2002
Diesel generator (in units)	2,05,440	1,66,222
Fuel (in liters)	72,855	58,769
Average unit generated per liter	2.82	2.82
Rate per unit (In Rs.)	7.01	6.70

Your company has achieved considerable energy savings through implementation of alternate cost effective methods and is also contemplating efforts to explore the possibilities of production of power through alternative energy sources in the company itself for captive power consumption.

A) Conservation of Energy

a. Energy Conservation Measures taken.

- 1) Using Electronic chokes for fluorescent lamps in the place of conventional chokes which resulted in energy savings.
- 2) Utilising 3 H.P. Water pump in place of 5 H.P. for Extruder while running lower denier has reduced the energy consumption.
- 3) Glass wool insulation to avoid heat loss in the Extruder.
- 4) Energy saving through AC - inverter drives for 6 shuttle loom.

b. Proposed areas of Energy Conservation.

- 1) Extruder - Suction lamp blower with 10 H.P. in place of 25 H.P. through modern technology.
- 2) Vapour Absorption machine cooling tower fan modification to reduce 12.5 H.P. to 7.5 H.P. power.

FORM - B

Disclosure of particulars with respect to Research and Development absorption, as required under the Companies Act (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the report of the Board of Directors for the year ended March 31, 2003.