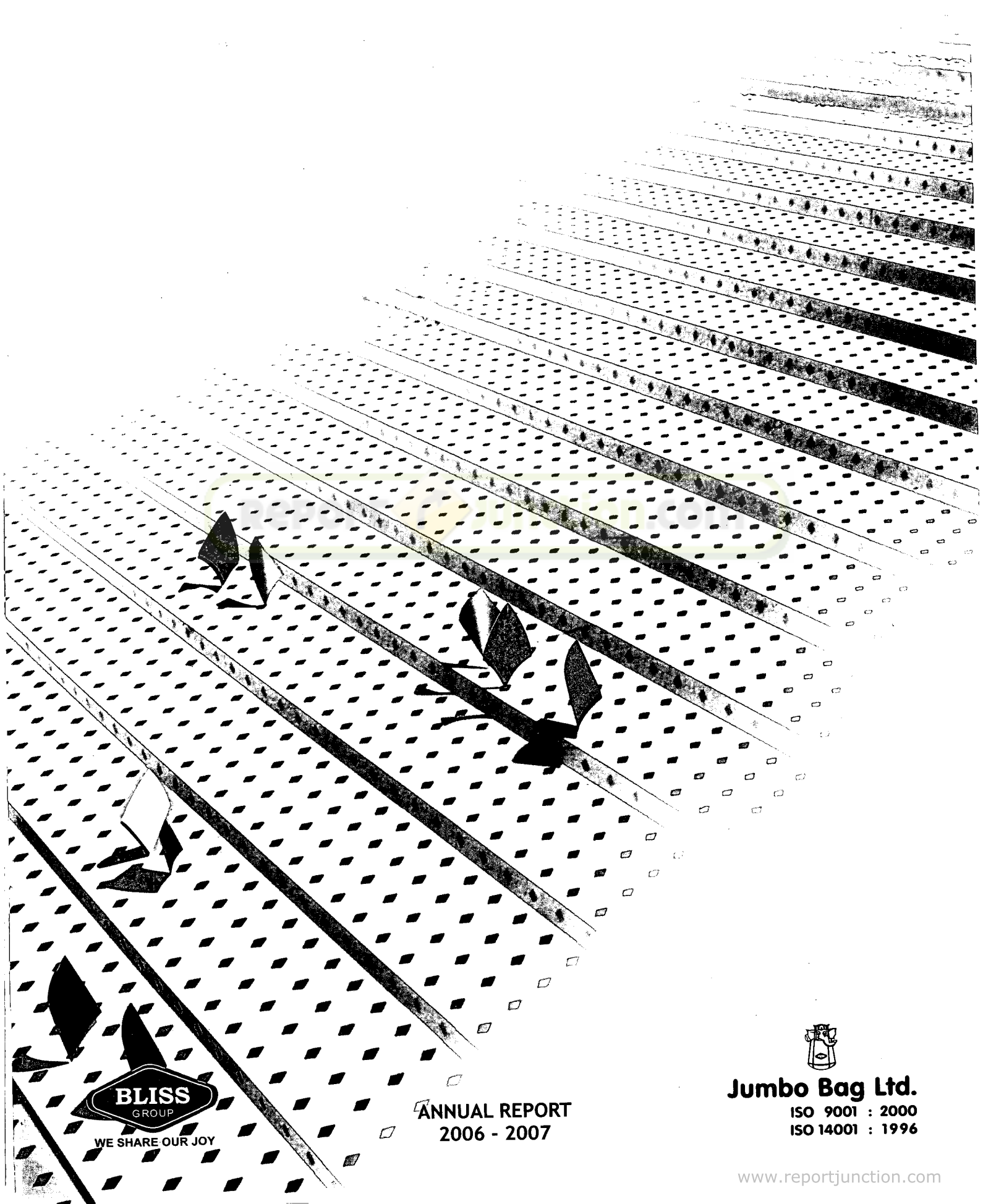


Ascending with the certainty of success



Jumbo Bag Ltd.

ISO 9001 : 2000

ISO 14001 : 1996

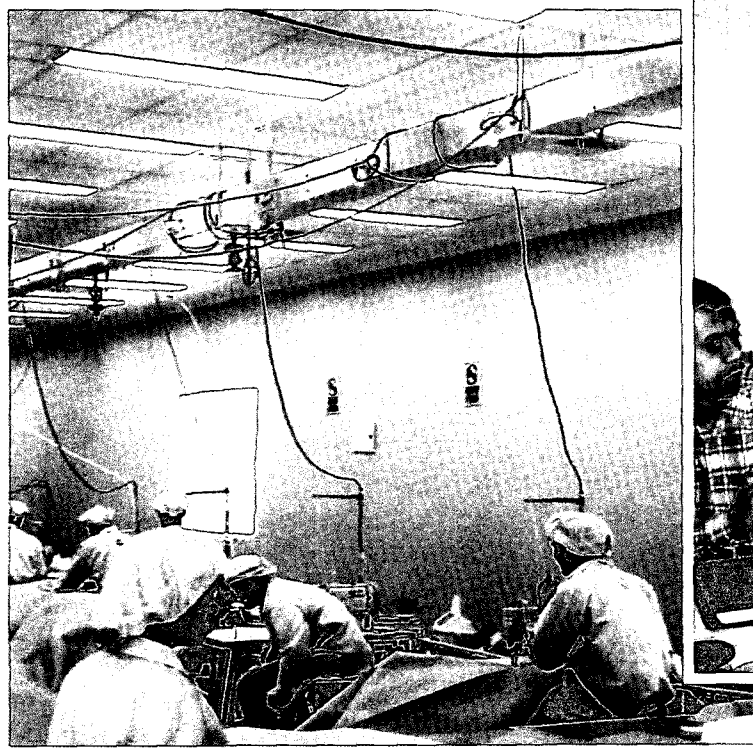
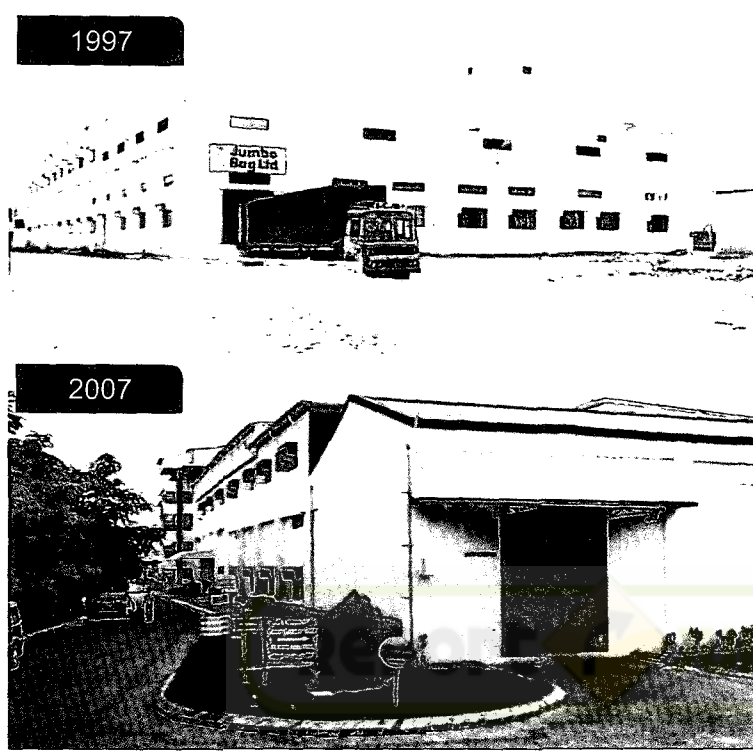
BLISS
GROUP

WE SHARE OUR JOY

ANNUAL REPORT
2006 - 2007

A View of Clean Room Operation

Factory: Jumbo Bag Ltd. Then & Now



Mr. Thyagarajan, Cutting Operator, awarded for his Regular Attendance

A View of Clean Room Operation



helped us increase our profits (PBT) from Rs. 177.49 lacs to Rs. 183.25 lacs (growth rate 3.25%).

The polymer industry has been witnessing a double digit growth consistently in the last few years. Obviously this has had a positive impact on our industry. I expect this trend to continue which will mean continued growth for us too. Sudden and frequent hike in prices of raw materials coupled with growing competition from other manufacturers are the main risks. In spite of all these, your company is confident of improving further.

Our USP lies in our ability to offer a large portfolio of cost effective packaging solution with flexible volume options. This has given us the edge over competition and we are confident of maintaining this strength.

Your company has finalized its plans to increase its capacity to take full advantage of the growing opportunities. At the same time special emphasis will be laid on ensuring the highest quality standards, as today in the packaging industry Jumbo Bag Ltd. is synonymous with best quality and we have the responsibility to live up to the honour.

G. SUDHAKAR

Managing Director

Chennai

June 25, 2007



Jumbo Bag Ltd.

Annual Report 2006 - 2007

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 M. Rama Rao	Director
Sri G. V. Ramesh Babu (Alternate to Dr.G.Govindaiah)	Director
Sri K. J. M. Shetty, I.A.S.(Retd.)	Director
Sri Gaddam Kumar Reddy	Director
Sri B. Surender (Alternate to Sri Gaddam Kumar Reddy from 21.7.2006 to 24.6.2007) (Additional Director from 25.6.2007)	Additional Director

COMPANY SECRETARY-CUM- COMPLIANCE OFFICER

R. Deenadayalu

AUDITORS

M/s.M.Srinivasan & Associates, Chartered Accountants,
No.5, 9th Floor, B Wing, Parsn Manere, 602, Anna Salai, Chennai - 600 006.

BANKERS

State Bank Of India
State Bank Of Hyderabad
Bharat Overseas Bank

SOLICITOR

R. Sundarrajan,
Advocate, Chennai.

WORKS

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

SHARES LISTED WITH

The Madras Stock Exchange Ltd.
The Stock Exchange, Mumbai.

106, G.N.T.Road,
Athipedu Village,
Alinjivakkam P.O.,
Ponneri, Ponneri Taluk,
Thiruvallur District-600 067.

REGISTERED OFFICE

No.46, Halls Road, Kilpauk,
Chennai - 600 010.
Phone: 26451722, 26461415, 26452325
Fax: 91-44-26451720 E-Mail: info@blissgroup.com
Website: <http://www.blissgroup.com>

New No.F/172(Old No.4/95D)
Mela Arasadi Village,
Ottapidaram Panchayat,
Tuticorin-628 401. Tamil Nadu.

REGISTRARS AND SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Ltd.,
Subramanian Building,
No.1, Club House Road, Chennai -600 002
Phone: 28460390 (5 Lines) Fax: 28460129



Jumbo Bag Ltd.

Annual Report 2006 - 2007

CONTENTS	Page
Notice to Shareholders	4
Directors' Report	13
Management Discussion and Analysis	17
Corporate Governance Report	20
Auditors' Report	29
Balance Sheet	31
Profit and Loss Account	32
Schedules to Accounts	34
Notes on Accounts	38



Jumbo Bag Ltd.

Annual Report 2006 - 2007

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at Sri Thyaga Brahma Gana Sabha, Sri P. Obul Reddy Hall, Vani Mahal, No. 103, G.N.Chetty Road, T.Nagar, Chennai- 600 017 at 10.30 a.m. on Monday, the 24th September, 2007 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2007 and the Profit & Loss account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in the place of Sri K.J.M. Shetty who retires by rotation and who, being eligible, offers himself for re-appointment.
4. 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

5. 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 Sections 198, 269, 309, 310, 311 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and such other approvals, as may be necessary, and subject to the limits specified in Schedule XIII of the said Act, Sri G. Sudhakar be and is hereby re-appointed as the Managing Director of the Company with effect from 1.4.2007 for a period of three years upon the terms and payment of remuneration as set out in the Explanatory Statement attached to this notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions in accordance with the laws in force from time to time and to take all such steps, deeds, matters and things as may be considered necessary to give effect to the above resolution."

6. 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 Sections 198, 269, 309, 310, 311 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and such other approvals, as may be necessary, and subject to the limits specified in Schedule XIII of the said Act, Sri G.P.N.Gupta be and is hereby re-appointed as the Director-Finance of the Company with effect from 1.4.2007 for a period of three years upon the terms and payment of remuneration as set out in the Explanatory Statement attached to this notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions in accordance with the laws in force from time to time and to take all such steps, deeds, matters and things as may be considered necessary to give effect to the above resolution."

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

"RESOLVED THAT Sri B. Surender who was appointed as an Additional Director of the Company with effect from 25.6.2007 under Section 260 of the Companies Act, 1956, and whose term of office expires at the conclusion of the Annual General Meeting be and is hereby appointed as Director of the Company liable to retirement by rotation."

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

Registered Office:

No.46, Halls Road, Kilpauk, Chennai - 600 010.
Chennai, June 25, 2007.

R.DEENADAYALU
General Manager (legal)-cum-
Company Secretary



Jumbo Bag Ltd.

Annual Report 2006 - 2007

NOTES:

1. **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.**

2. Explanatory Statement as per the provisions of Section 173(2) of the Companies Act, 1956 in respect of the items of the Special Business as set out above is annexed.

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 holding shares in Physical Form are requested to notify immediately to our Registrars and Share Transfer Agents, M/S.Cameo Corporate Services Ltd., No.1, Club House Road, Mount Road(Anna Salai), Chennai-600 002, Tamil Nadu, any change in their address, to ensure prompt receipt of the Dividend Warrants. Members holding shares in Electronic Form should inform change in address to their Depository Participants. The dividend, as recommended by the Board, if approved, at this Annual General Meeting will be payable on or after 10th October, 2007 to those members whose names appeared in the Company's Register of Members as on 24th September, 2007. In respect of shares held in Electronic Form, the Dividend will be payable on the basis of beneficial ownership as per the details furnished by NSDL and CDSL for this purpose.

Members holding shares in Electronic Form may please note that their bank account details as furnished by their depositories to the company will be printed on the dividend warrants and the company will not entertain any direct request from such members for deletion/change in such bank details. (Members who wish to change their Bank Account details are advised to intimate their depository participant (DPs) about such change with complete details of Bank Accounts.)

6. Members are requested to intimate to the Company, queries, if any, regarding the accounts/notice, at least seven days before the meeting to enable the management to keep the required information readily available at the meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of payment of Dividend from 19th September, 2007 to 24th September, 2007 (both days inclusive).
8. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during working hours between 11.00 a.m. To 1.00 p.m. except on holidays.
9. Shareholders are requested to check whether they have encashed Dividend Warrants for earlier years. If the Dividend Warrants are lost or have become time-barred, please apply for Cheque/Demand Draft in lieu of those Dividend Warrants before the last dates indicated below. Shareholders are also requested to note that Dividend Warrants are valid for three months from the date of issue and the Banks are not allowing REVALIDATION. The Company has to incur Bank Charges for issue of Demand Draft after the date of expiry of the Dividend Warrants. Shareholders are therefore requested to encash the dividend warrant within three months from the date of issue.

Dividend for the year ended	Rate of Dividend	Dividend Warrant dated	Date on which unpaid amount is required to be paid to the Central Government	Shareholders should apply latest by
31.3.1998	12.00%	05.11.1998	30.11.2005	06.11.2005*
31.3.1999	12.50%	03.11.1999	02.12.2006	08.11.2006**
31.3.2003	7.50%	20.10.2003	30.10.2010	06.10.2010
31.3.2004	8.00%	15.10.2004	28.10.2011	04.10.2011
31.3.2005	10.00%	01.10.2005	13.10.2012	29.09.2012
31.3.2006	10.00%	05.10.2006	23.10.2013	08.10.2013

*A sum of Rs.91,680/- which was lying as balance under unpaid dividend Account for the year ended 31.3.1998 was credited to the Investor Education and Protection Fund on 14.11.2005 as required under Section 205A of the Companies Act, 1956.

**A sum of Rs.2,46,195/- which was lying as balance under unpaid dividend account for the year ended 31.3.1999 was credited to the Investor Education and Protection Fund on 10.11.2006 as required under Section 205A of the Companies Act, 1956.



Jumbo Bag Ltd.

Annual Report 2006 - 2007

3. Recognition, Awards & Achievements

Sri G. Sudhakar is holding the position of Vice-President, Andhra Chamber of Commerce. He is also holding the position of Southern Regional Chairman, Plastic Export Promotion Council.

4. Job Profile and his suitability

a) Job Profile

Sri G. Sudhakar's responsibilities include:

- ★ Making operations of the Company profitable through effective and optimum utilization of Company's resources.
- ★ To maintain Company's profitability as per Business Plan.
- ★ Increase the level of production.
- ★ Increase in turnover of the Company.
- ★ Development of New Business.
- ★ Planning and implementation of growth of the Company.
- ★ Employee and Customer Satisfaction.
- ★ Enhancing Shareholder value.

b) Suitability

Sri G. Sudhakar has served the Company for about 15 years and has handled various assignments with distinction.

In view of the above, and also in view of the high esteem in which he is held in the Corporate Sector for his technical and commercial knowledge and business acumen, the Board considers Sri G. Sudhakar as the most suitable professional for shouldering responsibilities pertaining to various facets governing the operations of the Company.

5. Remuneration Proposed

Salary	Rs. 1,00,000 p.m. Effective from 1st April, 2007.
Perquisites and Allowances	Rs. 91,660 p.m. (excluding Club Fees, Personal Accident Insurance Premium, Encashment of Leave, provision of Car, Telephone, etc.).
Minimum remuneration only in case of absence or inadequacy of profits during any of the three financial years.	To be paid by way of salary, perquisites and allowances, subject to the limits specified in Paragraph 1B of Part II, Section II to Schedule XIII of the Companies Act, 1956 and other requisite approvals in this regard.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The remuneration structure offered is not higher than what is drawn by Sri G. Sudhakar's peers in the industry.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Save what is set out herein, Sri G. Sudhakar will not be entitled to remuneration from the Company under any other head. He is the Promoter-Director of the Company holding 47,600 (0.70%) Equity Shares in the company. He is a relative of Directors Sri G. Radhakrishna and Sri G.P.N. Gupta. His son Sri G.S. Anilkumar is employed in the Company as Vice-President.

III. OTHER INFORMATION:

1. Inadequate Profits

The Company has earned profits from the financial year 1997-98. However the profits have not been adequate enough, since the margins have been under pressure due to intense competition resulting in reduction in net realizations. Sri G. Sudhakar, aided by the top managerial personnel, has worked out strategies to meet the challenges ahead and increase the Company's turnover and realization. The company has implemented modern management initiatives aimed at exercising tighter controls on costs and overhead expenses.

The Company seeks the permission of the shareholders for making payment to the appointee remuneration in any of the three years of his appointment as laid down in Paragraph 1B of Part II of Section II to Schedule XIII of the Companies Act, 1956, only in the event the Company has no profits or inadequate profits in any such financial year.

2. Steps taken or proposed to be taken for improvement

The Company has initiated various action plans to bring higher productive efficiency into the process with modification/refurbishment of some infrastructural facilities and identification & elimination of a number of non-value added activities.



Jumbo Bag Ltd.

Annual Report 2006 - 2007

There has been various cost reduction exercises to optimize the process and attain better profitability by encouraging innovations & infuse ownership to our employees.

3. Expected increase in Productivity and Profits in measurable terms

The Company has undertaken expansion during 2005-06 and 2006-07 and the full benefits of the same will be seen in the coming years. Your company's strategy of pursuing horizontal growth of the industry/customer base coupled with vertical growth within each customer/industry is beginning to yield results. Your company is strongly focused on expanding its export market. With initiation of above steps, the Company has targeted for a growth rate of about 11% in productivity in the year concerned.

The Resolution set out in Item No.5 of the accompanying Notice is intended to obtain the consent of the shareholders in respect of reappointment and remuneration payable to Sri G. Sudhakar.

Item No.6

Sri G.P.N. Gupta has been associated with the Company ever since its incorporation and held important positions in the company. His array of exposure has extended to areas like Project Planning and Execution, Finance, Costing and Cost Control, Commercial handling including contracts and Modern Management Initiatives, legal matters, Management Quality System, etc. By his rich and varied experience the company has benefited. Sri G.P.N. Gupta has been instrumental in the growth of the Company to its present level.

Sri G.P.N. Gupta, born on 20.06.1946 and aged about 61 years is a Commerce Graduate. He was reappointed as Director-Finance for three years from 1.4.2005. Extra responsibilities were cast on the Director-Finance Sri G.P.N. Gupta for the company consequent to the expansion and renovation activities undertaken. Further having regard to the performance of the Company, contemporary pay scales of professional managers and with a view to suitably remunerate Sri G.P.N. Gupta in order to enable him to effectively discharge his duties and responsibilities in his capacity as the Director-Finance of the Company, the Board of Directors, at their meeting held on 21st March, 2007, reappointed Sri G.P.N. Gupta as the Director-Finance (Whole Time Director) of the Company for a period of three years with effect from 1st April, 2007, at a revised remuneration as shown below as recommended by the Selection/Remuneration Committee in its meeting dated 21st March, 2007 subject to the approval of the shareholders at the General Meeting and other requisite approvals in this regard, as the case may be. The Board of Directors, at their meeting held on 21st March, 2007, approved the revised remuneration of Sri G. P.N. Gupta, the detailed terms and conditions whereof are contained in the Agreement entered into between him and the Company on the said date. Both, the Company and Sri G.P.N. Gupta have a right to terminate the Agreement, on giving 6 months' prior written notice, without the need to assign any reason for such termination. He is holding 77,600 (1.14%) Equity Shares in the Company.

1. SALARY: - Rs.1,00,000/- per month

2. PERQUISITES:

- i. Housing :Furnished/unfurnished residential accommodation or house rent allowance of 60% of salary in lieu thereof;
The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income Tax rules, 1962.
- ii. Medical Reimbursement : Expenses incurred for Director and his family as per Company's rules;
- iii. Leave Travel Concession: For Director and his family, once in a year, incurred in accordance with the Company's rules;
- iv. Club Fees : Fees of Clubs, subject to a maximum of two clubs. This will not include admission and life membership fees;
- v. Personal Accident Insurance : Premium as per the Company's rules;
- vi. Contribution to Provident Fund, Superannuation Fund, Annuity Funds and Gratuity/Contribution to Gratuity Fund under the Company's rules;
- vii. Encashment of leave not availed of by Director as per the Company's rules;
- viii. Provision of Car and Telephone at his residence for his use; and
- ix. Such other benefits, amenities and facilities as per the Company's rules;
- x. The Director will not be entitled to sitting fee for meeting of the Board/Committee of the Board attended by him.

The above salary and perquisites shall be subject to the limits specified in Part II of the Schedule XIII of the Companies Act, 1956.

Provided that in case of loss or inadequacy of profit in any financial year, the above remuneration will be treated as the minimum remuneration payable to the Director - Finance since the same is within the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956.



Jumbo Bag Ltd.

Annual Report 2006 - 2007

Sri G.P.N. Gupta shall not be liable to retire by rotation as a Director.

The Board recommends the said resolution for approval of the shareholders as a SPECIAL RESOLUTION.

As required under Section 302 of the Companies Act, 1956, the abstract of the terms of remuneration and perquisites payable to Sri G.P.N. Gupta and the memorandum signifying the concern or interest of the directors therein, has already been circulated to the members vide letter dated 1st April, 2007.

The said Agreement dated 21st March, 2007 is available for inspection of the members of the Company from Monday to Friday upto 23rd September, 2007 between 11.00 A.M. To 1.00 P.M. at the Registered Office of the Company.

None of the Directors except Sri G. Sudhakar, Managing Director, Sri G.P.N.Gupta, Director-Finance and Sri G.Radhakrishna, Director are deemed to be concerned or interested in the resolution.

As required by Proviso (iv) of Paragraph 1B of Section-II of Schedule XIII of the Companies Act, 1956, the following further particulars pertaining to the Company and the appointee are set out herein:

I. GENERAL INFORMATION

- 1) Nature of Industry: Manufacturing.

The Company manufactures Packaging Materials such as Jumbo Bags.

- 2) Expected date of commencement of Commercial Production: Not Applicable.

- 3) In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: Not Applicable.

- 4) Financial Performance during the last three years

(Rs.in Lakhs)

Financial Parameters	2005-06	2004-05	2003-04
Sales/Income from Operations	3729.44	3454.42	2483.99
Total Income	3792.16	3460.88	2507.42
Total Expenditure	3305.39	3070.16	2156.73
Profit before Interest & Depreciation	486.76	390.71	350.68
Profit/(Loss) Before Tax	177.49	159.79	128.24
Profit/(Loss) After Tax	95.90	116.22	83.53

- 5) Export Performance and net foreign exchange earnings:

Export Performance	2005-06	2004-05	2003-04
Export made during the period	941.15	999.50	992.39
Expenditure in Foreign Currency	170.50	577.21	914.04

- 6) Foreign Investments or Collaborations, if any: Not Applicable.

II. INFORMATION ABOUT THE APPOINTEE

Sri G.P.N. Gupta

- 1.1 Educational Qualification - Degree in Commerce.

- 1.2 Experience - More than 35 years experience in Business particularly in Packaging Industry and finance and accounting field. He is the Director-Finance of the Company from 27th May, 1992.

2. Past remuneration for the last two years:

2005-06

2004-05

Rs.12.43 Lakhs

Rs.8.25 Lakhs

3. Recognition, Awards & Achievements: -

4. Job Profile and his suitability

- a) Job Profile

Sri G.P.N.Gupta's responsibilities include:

- ★ Making financial operations of the Company in a profitable manner through effective and optimum utilization of Company's resources.