



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**SRI.N.D. PRABHU****SRI.G. SUDHAKAR****SRI.G.P.N. GUPTA****SRI.G.S. ANIL KUMAR****SRI.G.P. RAMRAJ****SRI.G. RADHAKRISHNA****SRI.M. RAMA RAO****SRI.K.J.M.SHETTY, I.A.S.(RETD.)****SRI.GADDAM KUMAR REDDY****SRI.B.SURENDER****SRI.G. KRISHNAMURTHY****SRI M.V ANANTHAKRISHNA**

CHAIRMAN

VICE CHAIRMAN

MANAGING DIRECTOR

DIRECTOR-FINANCE

DIRECTOR-MARKETING

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

ADDITIONAL DIRECTOR\*

\*has been appointed as the Additional Director W.E.F May 31, 2010.

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Mr. JAYANTH VISWANATHAN**

### **SOLICITOR**

Sri R.Sundarrajan, Advocate, Chennai.

### **STATUTORY AUDITORS**

M/s. M.SRINIVASAN & ASSOCIATES  
Chartered Accountants,  
No.5, 9<sup>th</sup> Floor, B Wing Parsn Manere,  
602, Anna Salai, Chennai - 600 006

### **BANKERS**

State Bank of India,  
State Bank of Hyderabad &  
Indian Overseas Bank

### **REGISTERED OFFICE**

No. 46, Halls Road, Kilpauk,  
Chennai 600010  
Phone: 26451722, 26461415, 26452325  
Fax: 91-44-26451720,  
E-Mail [info@blissgroup.com](mailto:info@blissgroup.com)  
Website: [www.jumbobaglimited.com](http://www.jumbobaglimited.com)

### **REGISTERED OFFICE W.E.F JUNE 21, 2010**

"S.K.Enclave" No.4, (Old No.47)  
1st Floor, Nowroji Road,  
Chetpet, Chennai 600 031  
Phone: 26451722, 26461415,  
26452325,  
Fax: 91-44-26451720,  
E-Mail [info@blissgroup.com](mailto:info@blissgroup.com)  
Website:[www.jumbobaglimited.com](http://www.jumbobaglimited.com)

### **REGISTRARS AND SHARE TRANSFER AGENT**

M/S.Cameo Corporate Services Ltd.,  
Subramaniam Building, No.1,  
Club House Road, Chennai-600 002  
PHONE: 044 – 28460390,  
FAX: 044 - 28460129

### **PLANT LOCATION**

- \* No.75, Thatchur Kootu Road,  
Panjetty Village, Ponneri Taluk,  
Thiruvallur District - 601 204
- \* No.106, G.N.T.Road,  
Alinjivakkam P.O.,  
Ponneri Taluk,  
Thiruvallur District - 600 067

### **LISTING:**

The Bombay Stock Exchange Ltd.  
The Madras Stock Exchange Ltd.  
The National Stock Exchange Ltd.\*

\* Under MOU between Madras stock exchange and National Stock exchange, Jumbo Bag Ltd Shares are traded in NSE platform.



## **MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS**

(In conversation with Mr. Jayanth Viswanathan, Company Secretary )

### **1) What is the reason for the dip in the current year performance?**

Your company is the Pioneer in the industry. We have grown tremendously in size since inception. This year we have not been able to achieve as we had expected. The reason for the dip is attributable to three imperative reasons -Recession, Labour Shortage and Power shortage. Our industry being a power intensive industry and with severe shortage of power in the country and in particular in Tamil Nadu, we have not been able to capitalize on the orders available with us. As far as Labour is concerned, our industry requires more of semi-skilled and Skilled labour. The demand is higher than the supply and attrition levels are very high. Recession is also another factor which has hit us hard as we are also an export oriented company.



### **2) Why is there no dividend in the current year?**

As I just mentioned the factors for the decline they have had an impact on the operational profits of the company. Even a conservative dividend of about 5% would mean paying around Rs. 40 lakhs on the equity shares. This effectively means that the entire profit would have to be paid out; which would have an impact on the cashflow of the company. Thus your Board has decided to skip the dividend for this year. However I am very confident that this shall not be the case in the coming years as the market trends seems upwards and we are looking for opportunities in various other sectors too.

### **3) OK, now that you have got into the topic of looking into various sectors, In the previous year's Annual report, you had mentioned "We have a Goal to become a successful Multi Activity Company" What are the steps taken towards achieving it?**

Primarily we see Multi Activity Company on the following counts:

- A. Increasing product mix within Jumbo Bags, that is to say, conductive bags, dissipative bags, clean room bags etc and focus on increasing the percentage of sales in terms of quantity also.
- B. We have been appointed as the Del – Credere Associate cum Consignment Stockist for Tamil Nadu, Pondicherry and kerala by Indian Oil Corporation Limited (IOCL), this is one major breakthrough for Jumbo Bag Ltd to grow in the business of trading of polymers.
- C. Find new avenues in trading, one of them is supply of LDPE which is complementary to IOCL business.
- D. Multi Layer Co-Extrusion – This is a new Liner plant which is capable of producing liner for various applications like Milk Packaging, Oil Packaging, Shrink films, cling films etc, We are in the process of evaluating the potential and prospects of this product.

**4) What are the new objects that are included in the main objects of the company?**

We, at Jumbo Bag have a vision to be a Multi Activity Company towards which we are already working on implementing some of the proposed new object in the current year about which I was just mentioning.

One other major object we have included is to generate power through various sources like Steam, solar, tidal and wave, Wind, Bio mass energy etc. Tamil Nadu has been witnessing serious power shortage. Our manufacturing process is power intensive. Although we have private power available, there are restrictions in usage of private power. Also, it is more expensive than grid power.

In order to mitigate this risk we want to explore the possibilities of using alternative power sources.

**5) How exactly will all these new introductions benefit the company?**

Basically diversification of product per se is mitigation of risk and also broadening the vision of the company. We at Jumbo Bag are always looking for opportunities in the packaging sector. Our goal is to become One-Stop-Solution for packaging where we want to be a key player in different sectors of packaging. These new objects are enabling factors for us to achieve our goals within the desired time.

**6) Fine, so where do we go from here?**

The order position is very positive. We are working on scaling up the production and are hoping to make impact in the new product lines and avenues we have chosen. All these will lay foundation for improved results in current year and excellent results in the future years.

As I mentioned earlier, Power is a major concern. In order to immediately curb this we have entered in a private power purchase agreement to meet the shortfall in power which enable entitle us to increase our capacity utilization. Should this scheme be operational throughout the year during period of power holiday, it shall be highly beneficial as it will reduce the fuel consumption.

Considering all these factors, I am highly confident that your company will in the coming year have an improved top line and will enable us to have a positive bottom line.

**7) What is your final message to the share holders?**

Your company has taken many steps in the year 2009-10. There has been a focus on measures to improve productivity, add new avenues of trade that should help your company to perform well & the end results shall add value and benefit the Share Holders.

Finally I would like to quote Swami Vivekananda Winning Formula:

"In all our actions errors and mistakes are our only teachers. Who commits mistakes, the path of truth is available to him only. Trees never make mistakes nor do stones fall into error, animals are hardly seen to transgress Law of Nature. Go Forward Assert yourself again and again and light will come "

With Brightest Hopes and Warm Regards

**G.P.N GUPTA**

Managing Director



## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 20TH 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 Tuesday, the 31st August, 2010 to transact the following:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 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 Grandhy Krishnamurthy who retires by rotation and who, being eligible, offers himself for re-appointment.
4. 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.
5. To appoint a Director in the place of Sri 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 modifications, the following resolution as SPECIAL RESOLUTIONS

**"RESOLVED THAT** pursuant to sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any Statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto) in that approval of the Company be and is hereby accorded to the re-appointment of Sri G. S. Anil Kumar, as Whole Time Director (Director - Finance) of the Company for a period of three years from 1st October 2010 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 resolutions."

**"RESOLVED THAT** pursuant to sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any Statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto) in that approval of the Company be and is hereby accorded to the re-appointment of Sri G. P. Ramraj, as Whole Time Director (Director - Marketing) of the Company for a period of three years from 1st October 2010 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 resolutions."

8. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Sri. M.V.Ananthakrishna, who was appointed as an Additional Director at the meeting of the Board of Directors held on 31<sup>st</sup> May 2010 and who holds office as such up to the date of the 20th Annual General Meeting of the Company and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose Sri M.V.Ananthakrishna as a candidate for the office of Director of the company be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

Place : Chennai  
Date : 31.05.2010

**JAYANTH VISWANATHAN**  
Company Secretary

### NOTES:

- 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 OF THE COMMENCEMENT OF THE MEETING.**
- 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.
- Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.
- Members are requested to bring their copy of the Annual Report. No additional copies will be provided at the venue.
- 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. Members holding shares in Electronic Form should inform change in address to their respective Depository Participants.
- 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.
- The Register of Members of the Company will remain closed from 25th August 2010 to 31st August 2010(both days inclusive).
- 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.
- 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.



<b>Dividend for the year ended</b>	<b>Rate of Dividend</b>	<b>Dividend warrant dated</b>	<b>Date on which Unpaid amount is required to be paid to the Central Government</b>	<b>Shareholders should apply latest by</b>
31.03.2003	7.50%	20.10.2003	30.10.2010	06.10.2010@
31.03.2004	8.00%	15.10.2004	28.10.2011	04.10.2011
31.03.2005	10.00%	01.10.2005	13.10.2012	29.09.2012
31.03.2006	10.00%	05.10.2006	23.10.2013	08.10.2013
31.03.2007	10.00%	10.10.2007	30.10.2014	15.10.2014
31.03.2008	5.00%	08.10.2008	29.10.2015	13.10.2015
31.03.2009	6.00%	12.10.2009	23.10.2016	17.10.2016

\* 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.

@ Shareholders who have not collected their Dividend for the year ended 31.03.2003 are informed to collect the same before September 06, 2010 after which it will be credited to the Investor Education and Protection Fund as required under section 205A of the Companies Act, 1956.

## **10. RESUME OF THE DIRECTORS BEING REAPPOINTED / APPOINTED**

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

<b>Name</b>	<b>Qualification &amp; Experience in the field</b>	<b>Suitability to the post</b>	<b>Other Companies in which interested as Director or member of Committee of Directors</b>
G.S. Anil Kumar	A.C.A, Trained in the Company from the level of Management Executive in Finance and Accounts	<p>He was a member of various Expert committees of Madras Chamber of Commerce for the year 2004, 2005 and 2006.</p> <p>He is a member of General Committee of Madras Chamber of Commerce, since August 2007.</p> <p>He is also a member of the Executive Committee, Joint Secretary of TAPMA since January 2006 and Editor of TAPMA newsletter since June 2007.</p> <p>He was the Vice President (2007-08 and 2008-09) and is the President (2009-10 and 2010-11) of IFIBCA.</p>	Nil





Name	Qualification & Experience in the field	Suitability to the post	Other Companies in which interested as Director or member of Committee of Directors
G.P. Ramraj	Commerce Graduate and Trained in the Company from the level of Management Executive in Marketing	He is a member of Young Entrepreneur Organization. Also, he is instrumental in the expansion of market for the Company's products. Under his headship, as a Director – marketing, the company has diversified in terms of geography with bags reaching across 30 countries worldwide. He has been instrumental in bringing variety to Jumbo Bags that are tested in European laboratories which have been helpful in penetrating the western market. He has also been instrumental in procuring advanced equipments for the company which matches the European Design.	Nil
M.V.Anantha krishna	MBA from The University of Michigan, Ann Arbor, USA (1983) & BE in ECE from University of Madras, Chennai (1980).	He is an Executive Director of M K Raju Consultants Pvt. Ltd., a 34 year old leading Consultancy Organization implementing projects leading to large financial savings in a wide range of small, medium and large Industries.	M K Raju Consultants Private Limited, Chennai VBC Industries Limited, Hyderabad VBC Ferro Alloys Limited, Hyderabad. Jumbo Bag Limited, Chennai. Andhra Chamber of Commerce, Chennai

### RESUME OF DIRECTORS REAPPOINTED:

**Sri Krishnamurthy Grandhy:** Aged about 61 years, He is a Commerce Graduate - Gold Medalist and an A.C.A. He started his career as a Banker. He held the post of Chairman and CEO of Bharat Overseas Bank for 6 years. Currently he is associated with M/s. G.R. Thangamaligai group as President-Finance & Corporate Affairs. He is not holding any shares of the company.

**Sri K.J.M.Shetty:** Aged about 75 years, he is a retired I.A.S. Officer with rich experience in management and administration for more than 43 years in Central, State Governments and Public Sector Undertakings. Sri K.J.M.Shetty has joined the Board of Jumbo Bag Limited in the year 2002. Sri K.J.M.Shetty is the Chairman of Selection and Remuneration Committee of Jumbo Bag Limited. He is also on the Board of M/s. V.K.S.Solutions Pvt.Ltd., Loyal Textiles Mills Ltd., Gateway Distriparks Ltd., Gateway Distriparks (South) Pvt.Ltd., Savant India Institute of Technology, Endeka Ceramics India Ltd., Roots Multiclean Ltd. He is also member of the Audit Committee of Jumbo Bag Limited and Chairman of the Audit Committee of M/s. Gateway Distriparks Ltd. He is not holding any shares of the company.

**Sri M. Rama Rao:** Aged about 62 years, he has an experience of over 30 years in the industry. He is the Managing Director in Suryachandra Paper Mills Limited. He is not holding any shares of the company.



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

#### ITEM NO.7

The qualification and experience as tabled above adequately satisfies their eligibility norms for holding the posts and membership in the Company and its Board. There is no doubt that the Company will grow well by utilizing their rich knowledge and experience. Hence, the Board recommends that their appointment be approved by the shareholders.

None of the Directors are interested in the election of Sri. M.V.Ananthakrishna. In the case of Sri. Anil Kumar and Sri Ramraj, none of the directors except Sri. G. Sudhakar, Sri. G.P.N.Gupta and Sri. G.Radhakrishna as relatives are interested.

The Board recommends the resolutions for the approval of the shareholders.

1. SALARY: - 75,000/- per month, Per Person.
2. PERQUISITES:
  - i. Housing: Furnished/unfurnished residential accommodation or house rent allowance of 60% of their salary in lieu thereof;
  - ii. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income Tax rules, 1962.
  - iii. Medical Reimbursement: Expenses incurred for Director and their respective family as per Company's rules;
  - iv. Leave Travel Concession: For Director and their respective family, once in a year, incurred in accordance with the Company's rules;
  - v. Club Fees: Fees of Clubs, subject to a maximum of two clubs. This will not include admission and life membership fees;
  - vi. Personal Accident Insurance: Premium as per the Company's rules;
  - vii. Contribution to Provident Fund, Superannuation Fund, Annuity Funds and Gratuity / Contribution to Gratuity Fund under the Company's rules;
  - viii. Encashment of leave not availed of by Directors as per the Company's rules;
  - ix. Provision of Car and Telephone at their respective residence for their use; and
  - x. Such other benefits, amenities and facilities as per the Company's rules;
  - xi. The Directors will not be entitled to sitting fee for meeting of the Board/Committee of the Board attended by them.

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 Directors since the same is within the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956.

Sri G.S. Anil Kumar and Sri G.P.Ramraj shall not be liable to retire by rotation as Directors.

The Board recommends the said resolutions for approval of the shareholders as **SPECIAL RESOLUTIONS**.

As required under Section 302 of the Companies Act, 1956, the abstract of the terms of remuneration and perquisites payable to Sri G. S. Anil Kumar and Sri G.P. Ramraj and the memorandum signifying the concern or interest of the directors therein, and the revised pay is stated above.

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

By Order of the Board  
For **JUMBO BAG LIMITED**  
**JAYANTH VISWANATHAN**  
Company Secretary

Place : Chennai  
Date : 31.05.2010





## **DIRECTOR'S REPORT**

**Dear Shareholders,**

Your Directors have pleasure in presenting their Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

### **FINANCIAL RESULTS:**

Rs. In lakhs

<b>Particulars</b>	<b>2009-10</b>	<b>2008-2009</b>
<b>Income</b>		
Sales and other Income	6405.39	7127.38
Profit before Interest, Depreciation & Taxes	574.88	710.10
Interest	279.63	319.64
Depreciation	184.09	170.74
<b>Profit Before Tax</b>	106.14	214.71
Current Tax	36.08	55.95
Deferred Tax	10.94	8.73
Fringe Benefit Tax	0.00	6.52
<b>Profit After Tax</b>	59.12	143.51
Add/Less Prior period adjustments	1.55	1.36
Profit of earlier years	305.54	216.65
<b>Profit available for Appropriation</b>	366.21	361.52

### **DIVIDEND:**

Considering that we have gone through a recessionary period and the profits are very minimal, your directors after much deliberation have decided to skip the dividend for the year 2009-10.

### **EXTRA ORDINARY GENERAL MEETING:**

The company conducted an Extra Ordinary General Meeting on March 03, 2010. Two Special resolutions were passed at the said EGM, for commencement of business specified in the other objects of the Memorandum of Association and reappointment of Sri. G.P.N Gupta as the Managing Director of the company for three years. The resolutions were passed unanimously by the shareholders at the meeting and all legal formalities relating to the same have been completed.

### **NSE PLATFORM TRADING:**

As a testimony of good Corporate Governance your company has been selected by National Stock Exchange to trade the company's shares in the National Stock Exchange platform, details of which are given in the Report of Corporate governance.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **World Economy:**

The economic crisis that we all anticipated would come to an end in the year 2009-10, seems to be imaginary as it has still significantly impacted global economic growth. According to World Economic Outlook update published by the International Monetary Fund the advanced economies were projected to record a 2 percent decline in output in 2009, while India's growth projections has been lowered from 6.3 to 5.1 percent and that of China from 8.5 to 6.75 percent.

IMF had projected that trade volume would reduced by 11.9% in the year 2009. It has also projected that imports into advanced countries would fall by 13.7% and exports from emerging economies would decline by 7.2% in the year 2009. WTO had projected that the global trade would fall 10% in the year 2009.



In the year 2010, world output is expected to rise by 4 percent. Growth in emerging and developing economies is expected to rise to about 6 percent in 2010, following a modest 2 percent in 2009. IMF informed in its world economic outlook that Indian economy is likely to register a growth of 6.5 percent in the year 2010 while China's growth rate will be around 8 percent.

In most of the advanced economies, the recovery is expected to remain sluggish by the past standards, whereas in many emerging and developing economies, activity is expected to be relatively vigorous, largely driven by buoyant internal demand.

According to the International Monetary Fund, the global growth is projected at an impressive by 4 percent in the year 2010. Meanwhile, United States is likely to bounce back to grow by around 1.6 percent, the Euro and the UK projections for growth stood at a minuscule 0.2% and that of Japan by a somewhat better 0.6%.

### INDIAN ECONOMY:

The impact of the global economic and financial crisis on India in the year 2009-10 operated through three channels:

- The financial channel which diminished the ability of Indian Companies to mobilize equity and debt in foreign and domestic market;
- The trade channel which operated by eroding the import demand in developed economies and
- The collapse of business and consumer confidence in the developed economies, which depressed sentiments worldwide, unfortunately including India.

Indian economy is impacted by the slow recovery of export demand from the developed economies. The principal risk that emanates from global economy for India is inflation contagion, with crude oil prices once again in the lead. The other risk is the possibility of another setback to the world of finance, where even a small failure amplifies capacity for destabilization.

Today the Indian economy is also primarily constrained by a shortage of physical infrastructure, of which the single most important item is electricity. Shortage of electric power not only leads to direct loss of production, but also results in inefficiencies in a broad range of areas impacting profitability and competitiveness. Government being the largest and the most important player in production, transmission and distribution of power needs to take immediate corrective action to set it in the right path.

### Industry Outlook:

With the world and the Indian economy taking a hit, packaging industry is no exception to it. The major consumption centers are Europe and America and they have taken a hit in the recessionary year.

