



Jumbo Bag Ltd.

ISO 9001 & 14001

ANNUAL REPORT 2010 - 2011



WE SHARE OUR JOY

CORPORATE INFORMATION

BOARD OF DIRECTORS

SRI N.D.PRABHU	CHAIRMAN*
SRI K.J.M.SHETTY	DIRECTOR**
SRI G. SUDHAKAR	VICE CHAIRMAN
SRI G.P.N. GUPTA	MANAGING DIRECTOR
SRI G. RADHAKRISHNA	DIRECTOR
SRI M. RAMA RAO	DIRECTOR
Dr. GADDAM KUMAR REDDY	DIRECTOR
SRI G. KRISHNAMURTHY	DIRECTOR
SRI M.V ANANTHAKRISHNA	DIRECTOR
SRI SURENDER	DIRECTOR***
SRI G.S. ANIL KUMAR	DIRECTOR-FINANCE
SRI G.P. RAMRAJ	DIRECTOR-MARKETING

* has retired from Chairmanship and Directorship W.E.F 1st September 2010.

** has been elected as the Chairman W.E.F 1st September 2010.

*** has retired from Directorship W.E.F 28th January 2011.

COMPANY SECRETARY & COMPLIANCE OFFICER
Mr. JAYANTH VISWANATHAN

SOLICITOR
Sri R.Sundarrajan, Advocate, Chennai.

STATUTORY 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 &
Indian Overseas Bank

REGISTERED OFFICE
"S.K.Enclave" No.4, (Old No.47)
Nowroji Road,
Chetpet, Chennai 600 031
Phone: 26451722, 26461415, 26452325,
E-Mail: info@blissgroup.com
Fax: 91-44-26451720,
Website: www.jumbobaglimited.com

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

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

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, the shares of Jumbo Bag Limited are traded in NSE platform.



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MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

Nothing defines a Company as distinctly as its employees and shareholders, and the element of a Company that best encapsulates a society's values and beliefs are its shareholders. As promised last year the company has been looking towards new fronts to develop and spread its wings into new forte. There has been increased production from the Clean Room, the modern generation bags with higher cleanliness and hygiene.

Being with your company for the past twenty years I would first like to place my sincerest regards with those who have traveled this journey along with the Company, and have sailed along during the troughs and highs. As a human passes through various cycles of aging, so does a Company, the past few years though have not been very fruitful but the company has done its best to fight the turbulent situations. The environment with the ever changing interest conditions, the highs and further highs of inflation and with the entire economy hit by the financial crisis, the environment can be termed as turbulent. The other factors such as the power shortage suffocating the Companies especially in Tamil Nadu along with the labour shortage has impinged on the Company's bottom line. The Reserve Bank of India raised its repo rate for the tenth time since March 2010 and said it will persist with its battle against inflation, even as growth slows in Asia's third-largest economy.

We at Jumbo Bag know that slow growth persists in India nevertheless the Company is trying and making sure that it leaves no stone unturned. It is believed that the strongest of flames and hardest of hits makes the best of swords. We at Jumbo Bag, by Jumbo Bag I am referring to the management and to the employees who are the two strong pillars of the Company, believe that tumultuous environmental conditions and difficult internal conditions shall, when faced, lead to ultimately making the Company the best of its kind. To make itself better with every step, there are collective preparations to face the risks, and your Company has equipped itself such that all the risks that are inherent in the industry could be diversified. It has been a difficult decision for the Board of Directors of your Company to make regarding declaring no dividends, however the financials of the Company with an increased top line owing to the fluctuating cost of materials has the managements hands tied. The Company's order positions are good. Your Company has private power purchase plans in place to curb the non availability of power. These factors would certainly lead to a better performance from the Company in the coming years. Having its feet firmly fixed for a year now as the Del-Credere Associate cum Consignment stockist for Tamil Nadu, Pondicherry and Kerala for Indian Oil Corporation Limited the Company expects good returns from this endeavor too.

Finally I would like to request all the Shareholders to avail the opportunity and to attend the Annual General Meeting of your Company.

Yours truly,

G.P.N.Gupta
Managing Director



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st 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 02nd August, 2011 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2011 and the Profit & Loss account for the year ended on that date and the report of the Director's and Auditor's thereon.
2. To appoint a Director in the place of Sri Gaddam Kumar Reddy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Sri G.Radhakrishna, who retires by rotation and 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, (Firm Registration No. 004050S) 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 determined by the Board of Directors.”

SPECIAL BUSINESS

5. To re-appoint Sri G.Sudhakar as vice-chairman.

To consider and if thought fit to pass the following resolution as an ordinary resolution

“RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the consent of the shareholders of the Company at the General Meeting of the members, Sri. G.S. Sudhakar, a relative of Sri. G.P.N. Gupta, Managing Director, Sri. G.Radhakrishna, Director and Sri. G.S. Anil Kumar, Director Finance of the Company is appointed to hold an office or place of profit under the company as Chief Mentor of the Company for a period of three years commencing from 1st April 2011 at a remuneration of Rs.45,000 per month.

FURTHER RESOLVED THAT the authority be and is hereby granted to the Board of Directors to revise the above remuneration from time to time but in any case the remuneration so revised shall not exceed the limits prescribed by the Central Government from time to time under Section 314 of the Companies Act, 1956 read with rule 10C of Companies (Central Governments) General Rules and Forms, 1956.”

6. To consider and if thought fit to approve increase of equity through Preferential Allotment and pass the following resolution as special resolution:

“RESOLVED THAT pursuant to provisions of Section 81 (1A) and all other applicable provisions if any, of the Companies Act, 1956 (The Act) (Including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association and Memorandum of Association of the Company, the Listing Agreement entered into by the company with various stock exchanges, regulations of SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009 and any other guidelines, regulations and clarifications issued by SEBI and any other statutory/regulatory authorities, and subject to all such approvals, permissions, consents and

sanctions of any authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and consents and which may be agreed by the Board of Directors of the company (hereinafter referred to as "The Board" which term may also include committee thereof) the consent of the company be and is hereby accorded to the Board, to offer, issue and allot upto 4,00,000 Equity shares representing 4.78 % of the total post issue paid up Equity Share Capital of the company at Rs. 26.00 per Equity Share of Rs. 10 Each (at a premium of Rs. 16.00 aggregating to a total of Rs. 1,04,00,000) on a preferential basis, on such terms and conditions and in such manner as the Board may think fit to M/s. Balaji Trading Enterprises Private Limited."

"RESOLVED FURTHER THAT the said Equity Share shall rank pari passu in all respects with the existing Equity Shares of the Company and the Board shall allot the Equity shares pursuant to this resolution upon receipt of the requisite approvals from the relevant authorities."

"RESOLVED FURTHER THAT the relevant date for the preferential issue, as per regulation 71(a) of the SEBI (ICDR) Regulations 2009, as amended upto date, for the determination of applicable price for the issue of the above mentioned Equity Shares is 03rd July 2011."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to effect the issue or allotment of aforesaid securities and listing thereof with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of the said securities and to do all such acts, deeds, and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval from member or otherwise to end and intend that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors or any Director or Directors, or to any Officer or Officers of the company, to give effect to the aforesaid resolutions."

Registered Office:
"S.K.Enclave" No.4, (Old No.47)
Nowroji Road, Chetpet,
Chennai 600 031
Date : 28.05.2011

By Order of the Board
For Jumbo Bag Limited

JAYANTH VISWANATHAN
COMPANY SECRETARY

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 OF 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. Members are requested to bring their copy of the Annual Report. No additional copies will be provided at the venue.



4. The Ministry of Corporate Affairs has taken a Green Initiative, which permits the company to send Annual Report, Notice via E-mail to all the shareholders. Your Company has for the financial year ended 31.03.2011 sent the notice and the Annual Report to those Shareholders whose E-mail ID was available. It is requested that all the shareholders update/ Furnish their E-Mail ID with their respective DP's which will enable the company to implement the Green Initiative and make such correspondences in future.
5. 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.
6. The Register of Members of the Company will remain closed from 27th July 2011 to 2nd August 2011 (both days inclusive).
7. 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.
8. Shareholders are requested to check, whether they have en-cashed 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.

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
31.03.2004	8.00	15.10.2004	01.11.2011	04.10.2011*
31.03.2005	10.00	01.10.2005	17.10.2012	29.09.2012
31.03.2006	10.00	05.10.2006	22.10.2013	08.10.2013
31.03.2007	10.00	10.10.2007	28.10.2014	15.10.2014
31.03.2008	5.00	08.10.2008	27.10.2015	13.10.2015
31.03.2009	6.00	12.10.2009	27.10.2016	17.10.2016

A sum of Rs. 2,46,641/-which was lying as balance under unpaid dividend account for the year ended 31.3.2003 was credited to the Investor Education and Protection Fund on 06.10.2010 as required under Section 205A of the Companies Act, 1956.

* Shareholders who have not collected their Dividend for the year ended 31.03.2004 are informed to collect the same before 3rd September 2011 after which it will be credited to the Investor Education and Protection fund as required under section 205A of the Companies Act, 1956.

9. RESUME OF THE DIRECTORS BEING RE-APPOINTED

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a brief background and the functional expertise of the directors proposed for re-appointment are furnished below along

with the details of companies in which they are directors and the committees of which they are members:

Name	Holdings and Experience	Other Companies in which interested as Director or member of Committee of Directors
Dr. Gaddam Kumar Reddy	He is a MBBS, holding 75230 shares in the company. An NRI Practitioner in U.K with 20 years of experience in the field.	Nil
Sri G.Radhakrishna	Holding 97645 shares in the company. He has been guiding the Company since its incorporation. He has contributed by being the navigator to the Company through the years. He is an industrialist with 35 years of experience in the filed of packaging.	<ul style="list-style-type: none"> ➤ Stanpacks (India) limited. ➤ Balaji Trading Enterprises Private Limited. ➤ Pravan Designers & Constructions Private Limited

By Order of the Board
For Jumbo Bag Limited

Place : Chennai
Date : 28.05.2011

JAYANTH VISWANATHAN
COMPANY SECRETARY

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:
Resolution 6:

Sri G.Sudhakar has been associated with the company ever since its incorporation and he has held an important position in the company. His array of exposure has extended to areas like project planning and execution, production, marketing, commercial handling including contracts and modern management initiatives, etc. The company has benefited from his rich and varied experience and continues to do so. He has been instrumental in the growth of the company to its present level. He is a mechanical engineer by profession. He was appointed as the chief mentor on the 17th of June 2008. A period of three years has elapsed since Sri. G.S. Sudhakar, Vice Chairman had been appointed as the chief mentor of the company, it was recommended in the Board Meeting that he be appointed as the chief mentor for a period of three years commencing from the 1st of April 2011, subject to the approval of the shareholders pursuant to section 314(1B). An advisory fee of Rs. 5.4 lakhs p.a. being fixed along with the provision of car and reimbursement of fuel charges apart from all traveling and out of pocket expenses that may be incurred by him in relation to the official business of the company. The Board also is given powers to revise the advisory fees in terms with the market trends but in any case shall not exceed the limits prescribed by the Central Government from time to time under Section 314 of the Companies Act, 1956 read with rule 10C of Companies (Central Governments) General Rules and Forms, 1956.

None of the directors except, Sri G.P.N.Gupta, Managing Director, Sri G.Radhakrishna Director and Sri G.S.Anil Kumar Director- Finance are concerned or interested.

The information as required under clause 73 of the SEBI (Issue of Capital and Disclosure Requirements) regulations 2009 for preferential issue is as under:

A. Objects of the preferential issue –

The proceeds of Rs. 1,04,00,000 to be generated through the proposed issue would be utilized towards margin money for term loan that the company has taken.



- B. The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer -

The complete offer is being proposed to be applied and allotted to the promoter group company M/s. Balaji Trading Enterprises Private Limited.

- C. The shareholding pattern of the issuer before and after the preferential issue -

Category	Pre Issue Equity holding	%	Post Issue Equity Holding	%
Promoter Group	32,28,502	40.49	36,28,502	43.34
Institutional Investor	15,700	0.20	15,700	0.18
Private Corporate Bodies	9,19,296	11.53	9,19,296	10.98
Public	38,10,202	47.78	38,10,202	45.50
Total Paid Up capital	79,73,700	100.00	83,73,700	100.00

- D. The time within which the preferential issue shall be completed -

As required under SEBI (ICDR) regulations 2009, the allotment of the aforesaid is proposed to be made within 15 (Fifteen) days from the date of passing of this resolution or within 15 (fifteen) days of receipt of all requisite statutory approvals, whichever is later.

- E. The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue -

Identity of the proposed allottee	Existing Shareholding	%	Post issue Shareholding	%
M/s. Balaji Trading Enterprises Private Limited	22,32,200	27.99	26,32,200	31.43

- F. ISSUE PRICE -

The Issue price of Rs. 26.00 per share is in accordance to the SEBI (ICDR) Regulations 2009, and for the purpose of the above regulations the "Relevant Date" is 03rd July 2011.

The company's shares are listed in Madras Stock Exchange Ltd and Bombay Stock Exchange Ltd. As required under Chapter VII of SEBI (ICDR) Regulations 2009 the prices of the said allotment is calculated at Rs. 26.00. The lock-in period is three years from date of allotment. The company hereby undertakes that it shall re-compute the price of Rs.26.00 for the said allotment if the same is not in accordance to the terms and conditions as set in Chapter VII of SEBI (ICDR) Regulations 2009. The company also undertakes that if the amount payable on account of re-computation of price is not paid within the stipulated period, the said securities shall continue to be in Lock In period till such amounts are paid by the allottee.

- G. AUDITORS CERTIFICATE:

A copy of the certificate from the Statutory Auditors of the company as required under SEBI (ICDR) Regulations, 2009 shall be placed at the Share Holders meeting for the information of the Shareholder.

The Board recommends the said resolution for approval of the Share holders as SPECIAL RESOLUTION. Sri. G.P.N.Gupta, Managing Director, Sri. G. Radhakrishna, Director, Sri. G. Sudhakar, Vice Chairman and Sri. G.P. Ramraj Director - Marketing are deemed to be interested in the said resolution.

By Order of the Board
For Jumbo Bag Limited

Place : Chennai
Date : 28.05.2011

JAYANTH VISWANATHAN
COMPANY SECRETARY