



Jumbo Bag Limited

ISO 9001 & 14001

ANNUAL REPORT 2012 - 2013



WE SHARE OUR JOY

CORPORATE INFORMATION**BOARD OF DIRECTORS**

(As on 30th June 2013)

SRI K.J.M. SHETTY, I.A.S. (Retd.)	Chairman
SRI G.P.N. GUPTA	Managing Director
SRI G. RADHAKRISHNA	Director
SRI M. RAMA RAO	Director
SRI G. KRISHNAMURTHY	Director
SRI M.V. ANANTHAKRISHNA	Director
DR. GADDAM KUMAR REDDY	Director
SRI G.S. ANIL KUMAR (Whole-time Director)	Director - Finance
SRI G.P. RAMRAJ (Whole-time Director)	Director – Marketing

AUDIT COMMITTEE

SRI K.J.M. SHETTY	Chairman
SRI G. KRISHNAMURTHY	Member
SRI M.V. ANANTHAKRISHNA	Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. P. PREMA SONA BHARATHI

REGISTERED OFFICE:

“S.K. Enclave”, New No.4 (Old No.47),
Nowroji Road, Chetpet,
Chennai – 600 031
Phone: 044-26451722, 26461415, 26452325
Fax: 91-44-26451720
Website: www.jumbobaglimited.com

PLANT LOCATION:

Unit I: No.75, Thatchur Kootu Road,
Panjetty Village, Ponneri Taluk,
Tiruvallur District – 601 204

Unit II: No.106, G.N.T. Road,
Alingivakkam P.O., Athipedu Village,
Chennai – 600 067

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

REGISTRARS & SHARE TRANSFER AGENT:

M/s. Cameo Corporate Services Limited,
“Subramaniam Building”,
No.1, Club House Road, Chennai – 600 002
Phone: 044-28460390 Fax: 044-28460129

LISTING:

BSE Limited (Formerly - Bombay Stock Exchange Ltd.)
Madras Stock Exchange Limited
National Stock Exchange of India Limited*

* Under MOU between Madras Stock Exchange and National Stock Exchange, the shares of Jumbo Bag Limited are traded in NSE platform.



MISSION

To provide a one-stop-solution through continuous innovation and total employee involvement

VISION

To be a world leader in the field of packaging

GREEN INITIATIVES IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars, stating that service of notice/ documents including Annual Report can be sent by e – mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e–mail addresses, so far, are requested to register their e – mail addresses in respect of electronic holdings with the depository through their concerned Depository Participants

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd ANNUAL GENERAL MEETING of the members of JUMBO BAG LIMITED will be held at Sri Thyaga Brahma Gana Sabha, Sri P. Obul Reddy Hall, Vani Mahal, No. 103, Gopathy Narayana Road, T. Nagar, Chennai – 600 017 at 10.00 A.M. on Monday, the 23rd September, 2013 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2013 and the statement of Profit & Loss for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri G. Krishnamurthy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Sri K.J.M. Shetty, 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 M/s. 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 as determined by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modifications, 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 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) 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 Managing Director of the Company with effect from 01.04.2013 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 authorized 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 modifications, the following resolution as a SPECIAL RESOLUTION:

"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) 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 2013 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."



7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"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) 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 2013 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."

Registered Office:

"S.K.Enclave" New No.4, (Old No.47)
Nowroji Road, Chetpet,
Chennai 600 031

Date: 13.08.2013

**By Order of the Board
For Jumbo Bag Limited**

**P.PREMA SONA BHARATHI
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 read with Article 69 of the Articles of Association 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 31.03.2013 sent by E-mail the Notice and the Annual Report to those Shareholders whose E-mail ID are on record. All the shareholders are requested to update / furnish their E-Mail ID with their respective DPs which will enable the company to implement the Green Initiative and make such correspondences by E-Mail 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 17th September, 2013 to 23rd September 2013 (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 not en-cashed, please apply for cheque/demand draft in lieu of those dividend warrants before the last dates as indicated in the table:

Dividend for the year ended	Rate of Dividend (%)	Dividend warrant dated	Date on which Unpaid amount is required to be transferred to Investor Education & Protection Fund	Shareholders should apply latest by
31.03.2006	10	05.10.2006	25.11.2013	08.11.2013*
31.03.2007	10	10.10.2007	13.12.2014	28.11.2014
31.03.2008	5	08.10.2008	14.12.2015	30.11.2015
31.03.2009	6	12.10.2009	29.11.2016	17.11.2016

A sum of Rs.3,70,981/- which was lying as balance under unpaid dividend account for the year ended 31.03.2004 was credited to the Investor Education and Protection fund on 14.11.2012 as required under Section 205A of the Companies Act, 1956.

* Shareholders who have not collected their Dividend for the year ended 31.03.2006 are informed to collect the same before 8th November 2013 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:

	Item No.2	Item No.3
Names of directors	Krishnamurthy Grandhy	K.J.M. Shetty
Age	64 years	79 years
Qualification	B.Com, ACA	M.A. B.L.
Expertise	A gold medalist in Commerce, 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 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.
No. of shares held	Nil	Nil
Other directorships	Nil	1. M/s. Savant India Institute of Technology Private Limited 2. M/s. Loyal Textiles Mills Limited 3. M/s. Gateway Distriparks Limited 4. M/s. Gateway Distriparks (South) Private Limited 5. M/s. VKS Solutions Private Limited 6. M/s. Endeka Ceramics India Private Limited
Committee memberships, Chairman (C), member (M)	1. Member-Audit Committee 2. Member-Selection and Remuneration Committee	1. Chairman-Audit Committee 2. Chairman-Selection and Remuneration Committee

BY ORDER OF THE BOARD
For **Jumbo Bag Limited**

P.PREMA SONA BHARATHI
COMPANY SECRETARY

Place : Chennai
Date : 13.08.2013



ANNEXURE TO NOTICE

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

ITEM NO.5

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. Sri G.P.N. Gupta has been instrumental in the growth of the Company to its present level and by his rich and varied experience the company has benefited.

Sri G.P.N. Gupta, born on 20.06.1946 and aged about 67 years is a Commerce Graduate. He held the position of Director-Finance for three years from 01.04.2007. Consequent to the appointment of Sri G.S. Anil Kumar as Additional Director, the Board decided that he should continue to handle portfolio held by Sri G.P.N. Gupta with effect from 22nd October 2007. Consequently, Sri G.P.N. Gupta was designated as Joint Managing Director of the Company effective from 22nd October 2007. Subsequent to the retirement of Sri G. Sudhakar from the post as Managing Director, the Board designated Sri G.P.N. Gupta as Managing Director with effect from 1st April 2008. He was re-appointed after expiry of his first term on 31st March 2010. His present term expired on 31st March 2013 as per the approval accorded by the shareholders at the Extra-ordinary General Meeting held on 3rd March 2010.

Considering his achievements for the benefit of the Company, the Selection/Remuneration Committee in its meeting dated 22nd March 2013 recommended re-appointment of Sri G.P.N. Gupta as Managing Director with the same remuneration as detailed below with effect from 1st April 2013 for a further period of three years. The Board at its meeting held on 22nd March 2013 considered it is necessary to re-appoint Sri G.P.N. Gupta as Managing Director on the terms and conditions as recommended by the Remuneration Committee whereof are contained in the Agreement entered into between him and the Company and recommended the said resolution for the approval of the shareholders.

Both, the Company and Sri G.P.N. Gupta have the 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 1,15,873 (1.38%) 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;

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

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.

The Agreement entered into by the Company with Sri G.P.N. Gupta is available for inspection to the members of the Company from Monday to Friday up to 23rd September 2013 between 11.00 A.M. To 1.00 P.M. at the Registered Office of the Company.

In this regard, as required under Part II, Section II of Schedule XIII of the Companies Act, 1956 the following information is furnished:

I. GENERAL INFORMATION:

Nature of Industry: Manufacturing

The company manufactures Packaging Materials such as Jumbo Bags.

Date of commencement of commercial Production: Not applicable

Financial Performance:

The following are the results of the Company during the last three years, at a glance:

(Rs. in lakhs)

Financial Parameters	2011-12	2010-11	2009-10
Sales/Income from Operations	8,302.90	9,653.96	6,861.55
Total Income	8,330.04	9,708.42	6,897.21
Total Expenditure	8,237.78	9,618.17	6,323.33
Profit before Interest & Depreciation	683.65	581.23	574.87
Profit/(Loss) before tax	96.98	93.65	106.14
Profit/(Loss) after tax	68.15	64.38	59.12

Export performance, net foreign exchange earnings and collaborations:

During 2012-13, the Company's foreign exchange earning on account of exports on FOB basis was Rs. 4,068.89 lakhs and expenditure in foreign currency was Rs. 3,011.43 lakhs inclusive of CIF value of imports.

II. INFORMATION ABOUT THE APPOINTEES:

Background details, recognition/awards:

Educational Qualification – Degree in Commerce

Experience - More than 35 years experience in Business particularly in Packaging Industry, Finance and Accounting field.



Past remuneration in the last two years:

2011-12

Rs. 22, 299,992/-

2010-11

Rs. 22, 299,992/-

Recognition, Awards & Achievements - Nil

Job profile and suitability:

(a) Job profile:

Sri G.P.N. Gupta'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.P.N. Gupta has served the Company for about 6 years as a Managing Director 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 financial, accounting, commercial knowledge and business acumen, the Board considers Sri G.P.N. Gupta as the most suitable professional for shouldering responsibilities pertaining to various facets governing the operations of the Company.

Remuneration proposed to the Appointee:

Salary: Rs. 1,00,000 p.m. Effective from 1st April, 2013

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.

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.P.N. Gupta's peers in the industry.