



Jumbo Bag Limited

ISO 9001 & 14001

2018-2019

ANNUAL REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

(As on 31st May 2019)

SMT RENUKA MOHAN RAO	Chairman
SRI G.S. ANIL KUMAR	Managing Director
SRI G.P.N. GUPTA	Whole-Time Director & CFO
SMT. S. SUBHASHINI	Director
SRI. RAJENDRA KUMAR P	Director

STATUTORY AUDITORS:

M/s. J.V. RAMANUJAM & CO
Chartered Accountants,
F1 Lakshmi, No.56, Third Main Road
Raja Annamalaipuram Chennai – 600 028

SECRETARIAL AUDITORS:

M/s. Lakshmmi Subramanian & Associates
Practising Company Secretaries
Ground Floor, 81, MNO Complex
Greens Road, Thousand Lights
Chennai-600 006.

BANKERS:

State Bank of India
South Indian Bank

AUDIT COMMITTEE

SMT RENUKA MOHAN RAO	Chairman
SRI G.P.N. GUPTA	Member
SMT S. SUBHASHINI	Member

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:

The Bombay Stock Exchange Limited

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. R. PRAMOD KUMAR

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
CIN: L36991TN1990PLC019944

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
- Unit III:** No.110, Peruvoyal Village, Thiruvallur
District, Tamil Nadu - 601206.

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

TABLE OF CONTENTS

Sl. No.	Topic	Page No.
1.	Notice of Annual General Meeting	3
2.	Directors' Report	9
Annexures to the Directors Report		
3.	Management Discussion & Analysis Report	17
4.	Extract of Annual Return	21
5.	Conservation of Energy, research development, technology absorption, foreign exchange earnings and outgo.	30
6.	Secretarial Audit Report	31
Standalone Financial Statements		
7.	Independent Auditors Report	35
8.	Balance Sheet	42
9.	Statement of Profit and Loss	43
10.	Statement of Changes in Equity	44
11.	Statement of Cash Flows	45
12.	Notes forming part of Financials Statements	47
13.	Attendance Slip and Proxy Form	85



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of the members of JUMBO BAG LIMITED will be held at Narada Gana Sabha Trust Mini Hall, No.314, T.T.K. Road, Chennai - 600018 at 10.00 A.M. on Wednesday, the 31st July, 2019 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2019 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 GPN Gupta (DIN: 00086174) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Pursuant to the provisions of Sections 149, 152, 161(1) and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Sri. Rajendra Kumar P (DIN: 00835879), who was appointed as an Additional (Independent) Director of the Company w.e.f May 01, 2019 by the Board of Directors and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from May 01, 2019."

**On behalf of the Board
For JUMBO BAG LIMITED**

**G.S. ANIL KUMAR
Managing Director
(DIN: 00080712)**

Place: Chennai

Date: 06/06/2019

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.
- Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The proxy form duly stamped and executed should be deposited / lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of Limited Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.
- Members / Proxies should bring the Attendance slip duly completed, signed and stamped for attending the meeting. Members are requested to bring their copy of the Annual Report. No additional copies will be provided at the venue.
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
- Additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the re-appointment and appointment of Directors as mentioned under item no. 2 & 3 of this notice is appended. Further, the Company has received relevant disclosure/consent from the Director seeking appointment.
- The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to special business at the meeting, is annexed hereto.
- Members are requested to intimate the Company, queries, if any, regarding the accounts/notice, not less than seven days before the meeting to enable the management to keep the required information readily available at the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 25th July, 2019 to 31st July, 2019 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable clauses of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered into with the Stock Exchanges.
- A route map along with prominent landmark for easy reach to the venue of annual general meeting is annexed with this notice.
- The Company is concerned about the environment and utilizing natural resources in a suitable way. We request you to update your email address with your Depository participant to enable us to send all the communications via email.
- Annual Report 2019 with Attendance Slip and Proxy form are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant (s) for communication purpose unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 are being sent by the permitted mode.
- Members may note that the Notice of the 29th Annual General Meeting and the Annual Report 2019 will also be available on the Company's website www.jumbobaglimited.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection between working hours 11.00 A.M to 1.00 P.M. except on holidays. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at csjbl@blissgroup.com
- The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Cameo Corporate Services Limited, the Registrar & Share Transfer Agent of the Company.

• **E Voting & its procedures:**

Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 29th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 24th July, 2019, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on Sunday, 28th July, 2019 and will end at 5.00 p.m. on Tuesday, 30th July, 2019. The Company has appointed Smt. Lakshmmi Subramanian, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast and she has communicated her willingness to be appointed.

The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.jumbobaglimited.com and CDSL website. The results shall simultaneously be communicated to the Bombay Stock Exchange Limited.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

In case of members receiving e-mail:

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.



- i. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- ii. Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- iii. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- iv. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details is not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on <Company Name> on which you choose to vote.
- xi. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii. Institutional shareholders i.e. other than Individuals, HUF, NRI etc. are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

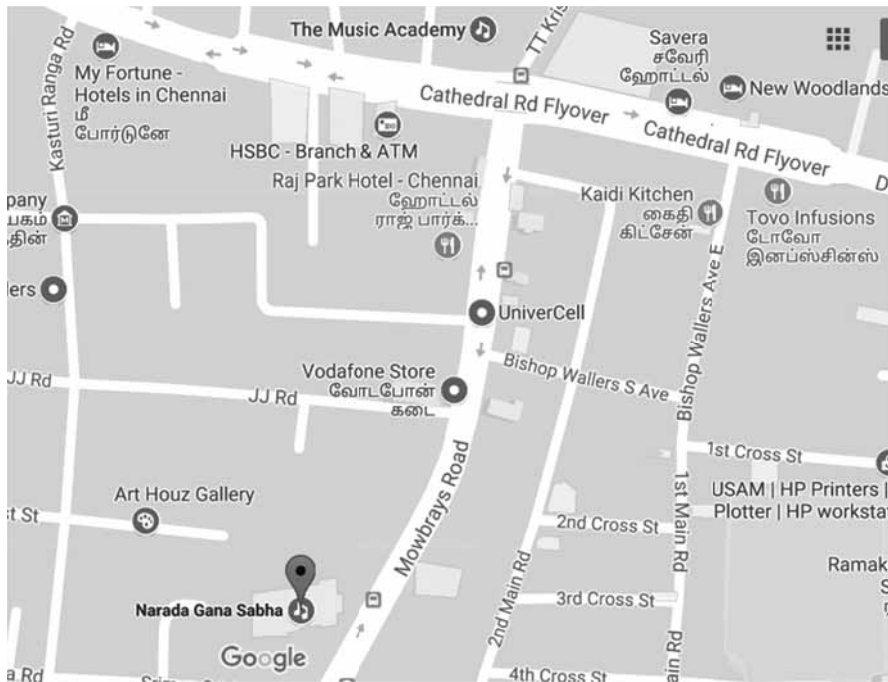
In case of members receiving the physical copy:

- Please follow all steps from s. no. (i) to s. no. (xvii) above to cast vote.
- The voting period begins on 28.07.2019 and ends on 30.07.2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24.07.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

- The manner of voting for the members being present in the General Meeting will be on "proportion principle" i.e. one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relating to demand for poll will not be relevant.
- The option of voting by show of hands will not be available for members present in the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, i.e. voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final.

For your immediate reference, we also give below the location / route map to reach the venue of the Annual General Meeting of the Company.





ANNEXURE TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Sri. Rajendra Kumar P (DIN: 00835879) as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Sri. Rajendra Kumar P holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") from a Member signifying his intention to propose the appointment of Sri. Rajendra Kumar P as a Director of the Company. The Company has also received a declaration from Sri. Rajendra Kumar P confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Sri. Rajendra Kumar P is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Sri. Rajendra Kumar P fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Sri. Rajendra Kumar P, born on May 13, 1970 is a commerce graduate from University of Madras, Fellow Member of the Institute of Chartered Accountants of India and a Graduate Member of the Institute of Cost Accountants of India. He is a Senior Partner of Sanjiv Shah & Associates, Chartered Accountants, Chennai, he is the Head-GST and Indirect Tax Practice of the firm. He is an acknowledged expert on GST, Excise Duty, Service Tax and VAT. Sharing his knowledge at Seminars, Conferences, Workshops, Training Programmes and Lecture Meetings is his passion and has written and presented over 800 papers both in India and outside India. He is elected to the Central Council of Institute of Chartered Accountants of India, New Delhi, Set up by an Act of Parliament, for the term 2019-2022.

Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no.3 of the Notice for appointment of Sri. Rajendra Kumar P as an Independent Director, not liable to retire by rotation.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.jumbobaglimited.com.

Except Sri. Rajendra Kumar P, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3.

AS PER REGULATION 36(3) OF SEBI LODR 2015 AND AS PER SECRETARIAL STANDARDS ON GENERAL MEETING ADDITIONAL INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IN ITEM NO. 2.

Name of Director	Sri. GPN Gupta	Rajendra Kumar P
Date of Birth / Age	73	49
Qualification	Graduate in Commerce	Chartered Accountant
Experience	49 years	20 years
Terms and Conditions of Appointment/Re-appointment	-	Appointed as independent Director of the Company for a period of 5 years with effect from 01.05.2019
Date of First Appointment	29/11/1990	-
Expertise in specific General Functional area	Corporate Finance and General Management	Chartered Accountant and expert in the area of GST.
Shareholding in the Company	115873	-
Relationship with other directors and KMP	NA	-
No. of Board meetings attended during FY18-19	6	-
List of outside Directorships held	1. Stanpacks (India) Limited. 2. Ankur Learning Solutions Private Limited	1. Hindustan Chamber of Commerce. 2. International Chamber of Indirect Tax professionals.
Chairman / Member of the Committee of the Board of Directors of the Company	1. Audit Committee- Member 2. Stakeholders' Relationship Committee –Member 3. Share Transfer Committee - Member	-
Chairman / Member of the Committee of Directors of other Public Limited Companies in which he / she is a Director	Stanpacks (India) Limited 1. Audit Committee- Member 2. Nomination and Remuneration committee – Member 3. Stakeholders' Relationship Committee – Member 4. Share Transfer Committee - Member	-
Last approved Remuneration drawn	Rs.1,00,000 p.m	-



DIRECTORS' REPORT

To the Members,

Your Directors present their 29th Annual Report together with the audited statement of accounts of the Company for the financial year ended 31st March 2019.

FINANCIAL RESULTS:

(Rs in Lakhs)

PARTICULARS	2018-19	2017-18
SALES AND OTHER INCOME	11781.16	10741.11
PROFIT BEFORE INTEREST, DEPRECIATION, TAXES & EXCEPTIONAL ITEMS	828.30	703.05
INTEREST	399.13	379.22
DEPRECIATION	178.57	179.18
EXCEPTIONAL ITEMS	151.18	-
PROFIT/ (LOSS) BEFORE TAX	99.42	144.65
TAX EXPENSES	(3.53)	35.37
PROFIT/ (LOSS) AFTER TAX	102.95	109.28
PROFIT AVAILABLE FOR APPROPRIATION	102.95	109.28

OPERATIONS AND FINANCIAL PERFORMANCE:

The revenue from operations increased to Rs. 11781.16 lakhs from Rs.10741.11 lakhs, up 9.68% YoY for FY 2018-19 on account of competitive pricing and improved production efficiency. The Company has terminated most of the outsourcing contracts and has been manufacturing them in its own plants thereby having better control over pricing which is a most vital factor in the market that is competed by both domestic and international companies.

Finance cost came at Rs.399.13 lakhs for FY 2018-19 from Rs.379.22 lakhs in the previous year increasing by 5.25%. While the finance cost to sales ratio decreased to 3.33% as against 3.53% in FY 2017-18. The Company is making all the efforts to bring down the exposure to credit facilities and thereby reduce the interest composition in the coming years.

Profit before tax and exceptional items for the FY 2018-19 came at Rs. 250.60 lakhs against Rs.144.65 lakhs in the previous year, increasing by 73.24%. PAT is at Rs.102.95 lakhs for FY 2018-19 against Rs.109.28 lakhs in the previous year dropping by 5.79%.

The drop is mainly on account of Rs.351.18 lakhs write-off from insurance claim receivable. The company initiated legal proceedings in 2017 for insurance claim receivable with respect stock and fixed assets loss in 2013 fire accident at one of the units. Though the Company believes that it has a strong case in its favour, the passage of time and the need for taking a conservative view of the matter becomes of utmost importance from the point of view of all stakeholders. Considering this aspect it has been decided to write-off claim receivable to the extent of Rs.351.18 lakhs in the FY 2018-19.

The interest loss due to blockage of funds under GST is valued at over rupees one crore from the beginning of GST implementation and for FY 2018-19 alone it is around Rs.66 lakhs. Now that the refunds are being processed we expect the blockage to come down.

Company is a distributor for IOCL polymer raw materials since 2009. Though the polymer materials were subject to heavy volatility in pricing due to instability in crude oil prices in the international market the division managed to achieve higher sales in FY 2018-19 in comparison to the previous year. This reflected in increased sales commission of Rs.105.39 lakhs in FY 2018-19 against Rs.94.88 lakhs made in in FY 2017-18.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with section 152 of the Companies Act, 2013 Sri GPN Gupta (DIN: 00086174) will retire by rotation at this ensuing Annual General Meeting. He being eligible, offers himself for re-appointment. The subject forms part of the ordinary business in the Notice of the 29th Annual General Meeting.