



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

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

CHAIRMAN

VICE CHAIRMAN

MANAGING DIRECTOR

DIRECTOR-FINANCE

DIRECTOR-MARKETING

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

ADDITIONAL DIRECTOR*

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. JAYANTH VISWANATHAN

STATUTORY AUDITORS

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

REGISTERED OFFICE

No. 46, Halls Road, Kilpauk,
Chennai 600010
Phone: 26451722, 26461415, 26452325
Fax: 91-44-26451720,
E-Mail info@blissgroup.com
Website: 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

LISTING:

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

SOLICITOR

Sri R.Sundarrajan, Advocate, Chennai.

BANKERS

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

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
Website:www.jumbobaglimited.com

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

* 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 31st 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.



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
31.03.2003	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:

Name	Qualification & Experience in the field	Suitability to the post	Other Companies in which interested as Director or member of Committee of Directors
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 31st March 2010.

FINANCIAL RESULTS:

Rs. In lakhs

Particulars	2009-10	2008-2009
Income		
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
Profit Before Tax	106.14	214.71
Current Tax	36.08	55.95
Deferred Tax	10.94	8.73
Fringe Benefit Tax	0.00	6.52
Profit After Tax	59.12	143.51
Add/Less Prior period adjustments	1.55	1.36
Profit of earlier years	305.54	216.65
Profit available for Appropriation	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:

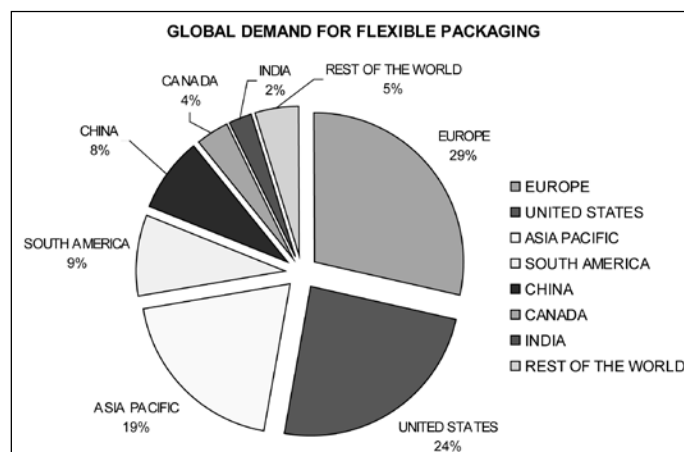
- The financial channel which diminished the ability of Indian Companies to mobilize equity and debt in foreign and domestic market;
- The trade channel which operated by eroding the import demand in developed economies and
- The collapse of business and consumer confidence in the developed economies,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

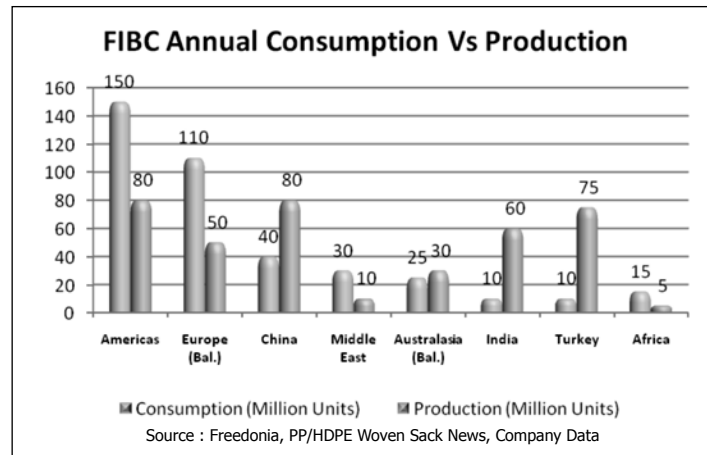
Indian economy is impacted by the slow recovery of export demand from the developed economies. The principal risk that emanates from global economy for India is inflation contagion, with crude oil prices once again in the lead. The other risk is the possibility of another setback to the world of finance,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





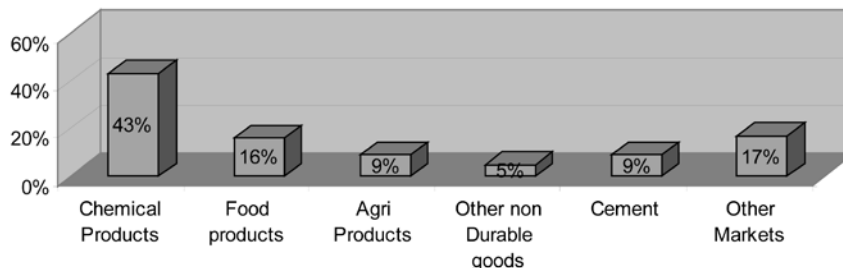
The Indian industry which depends highly on exports to USA and Europe has taken a big hit due to the recession.

As for exports, with gradual rejuvenation of global economy, the export is expected to show a remarkable growth in the first half year of 2010. However, with the uncertainty of global economy's recovery gone, consumption behavior and demand is expected to undergo a sea change in the next few years.

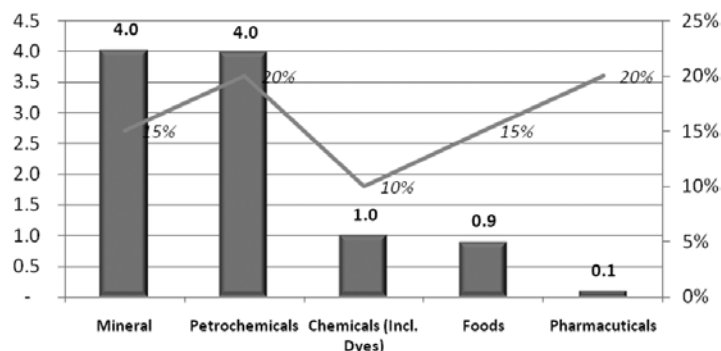
Fibc Market

Flexible Intermediate Bulk Containers (FIBC) are widely used in the package of products such as powder. Granule and block for transportation, cement, chemicals, mineral products etc.

FIBC USAGE

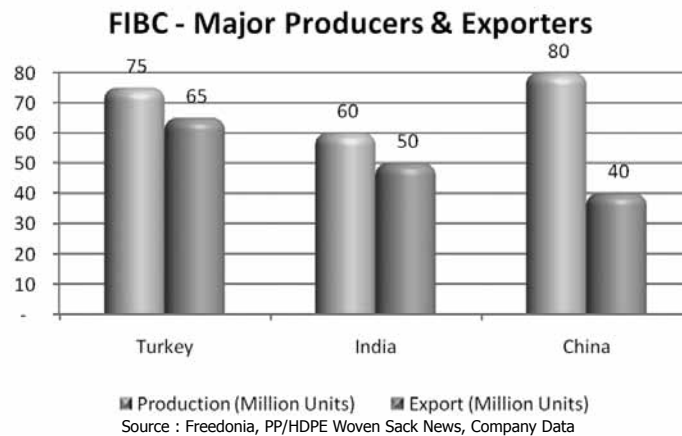


India FIBC Market & Growth Rate



Source : Freedonia, PP/HDPE Woven Sack News, Company Data

Indian FIBC Industry is the third largest producer in the world. Indian producers are supplying to virtually every country across the globe. While the primary mode of selling overseas is through resellers, direct supply to end users is increasing. Indian companies are now participating in worldwide bids for supply across continents.



There are clear trends emerging towards migration of FIBC production to India and China, primarily on three counts:

- Both of them have been able to produce bags of quality, matching the stringent requirement of the west.
- The significant cost advantages compared to manufacturing in developed countries.
- Turkey, a major producer of FIBC, due to its increasing cost of manufacturing, is also losing its market share; some of them are outsourcing and/or have started operations in low cost countries.

Since India is a growing economy there is an increased requirement of Industrial packaging. Because of the increase in modernization of plants, large industries are moving from trading in 25-50 Kg bags to 1-2 Metric Tonnes Jumbo Bags.

SYNOPSIS OF JUMBO BAG LIMITED

Synopsis on growth of JBL:

Jumbo Bag Limited (JBL), a unit of BLISS Group of companies, was incorporated in the year 1991-92 and came into operations in the year 1994-95. JBL was established primarily for manufacture of Flexible Intermediate Bulk Containers called Jumbo Bags. JBL produces variety of bags to cater to the bulk industrial packaging requirement. These products are custom-made to meet customer's specific requirements. The bags are flexible as they are made out of Polypropylene and weighs between 1-5 kgs and can handle weights ranging from 500 kgs to 2,000 kgs . The bags are used in various industries and come with various options based on usage and material handled.

Over the years JBL has made significant strides in product development and currently produces several varieties of Jumbo Bags in various section namely; Regular, Value Added and Speciality. Besides, JBL also produces Container liners which are used for bulk transportation.

JBL has been making rapid strides in the recent years and has been growing steadily since its inception. The introduction of several value added and speciality products in the recent past has enabled JBL to make inroads into several new markets besides placing JBL in a strategic position to achieve substantial growth.

Among various Jumbo Bags, your company has developed groundable bag with in-house technology successfully tested in European laboratories.

Your company has also installed equipments to match European design. Apart from this your company has also developed dissipative products in association with a European company for the U.S dissipative market.

As Jumbo bags gains prominence in the existing markets in India, there is a lot of effort already being made to penetrate new markets which have huge potential in the future.



Tapping High Potential Markets

Cement: Infrastructure is growing at a phenomenal rate in India and Cement being the basic raw material offers a huge potential. More and more manufacturers are starting to adopt bulk transportation that will facilitate cost savings.

Food: Several food and related products are being packed and transported in Jumbo Bags. These include Organic and Regular Rice exported in Jumbo Bags. Other significant developments are Sugar, Cashew, Coffee, Gelatin, which are also exported in Jumbo Bags, and has the potential to reach huge volumes.

Alumina: The Country is today producing surplus alumina, which is being exported. This trend is likely to continue with the establishment of green field export oriented alumina refineries.

Diverse Markets:

JBL's market is diversified in terms of Geography, Product Categories and Usage Industries. JBL has already supplied many products for usage in several industries to more than 30 countries in 5 continents of the world. JBL has a very good mix of these three constituents to provide diversity in the market such that the downturn in any particular geography will limit the impact on its operations.

REVIEW OF OPERATIONS:

Your company's performance has suffered a decline in the year due to recession. Both the export sector as well as the domestic market suffered a hit as our domestic sector market is also export dependent. While the order position improved from the 3rd quarter onwards, your company was constrained to utilize the capacity due to continued power problems and shortage of labour.



The West Bengal State Electricity Transmission Committee (WBSETC) wanted to acquire a major portion of the land purchased by the company. After protracted persuasion and discussion that WBSETC has agreed to release all but 1.4 Acres of the land.

Despite submission of our application for conversion of land along with the release letter and the final drawing, we are yet to receive the Conversion Certificate from the district Magistrate, Midnapore District.

In view of the same your company's expansion project at Kharagpur has been deferred.

However, things have turned positive with good order flow, improvement in orders for value added bags.

Your company is focused therefore on extending its export reach into newer markets as broad based market would make the company less vulnerable to market forces.

DCA CUM CS FOR INDIAN OIL CORPORATION LTD

Your company is pleased to inform you that it has been appointed by IOCL as one of its Del – Credere Associate cum Consignment Stockist for Tamil Nadu, Pondicherry and Kerala. Petrochemical is a vast field and India is still in the nascent stage of growth. The world's annual consumption of plastic materials has increased from around 5 million tonnes in the 1950s to nearly 100 million tonnes today. The per-capita consumption of plastics in India is 5 Kgs as against 18 Kgs in China. The potential for growth is therefore very large and would be a good business segment for your company to be in. The current Indian suppliers for polymers are Reliance Industries Ltd; Haldia petrochemicals Ltd and Gas Authority of India Ltd. IOCL is entering into this space with a capacity of 1.25 million tonnes per annum of PP and PE put together and would prove to be a catalyst to growth in the polymer processing sector with sufficient supply of raw material.



Discussion on Financial Performance

The Profit before tax of the Company for the year 2009-10 has reduced to Rs. 59.19 Lakhs. The Broad reasons for reduced financial performance are:

- Lower sales due to recession in the Global Market.
- High incidence of Fuel cost to a large extent due to power shortage in the state.
- Lower utilization in the second half of the year due to lack of power supply and shortage of skilled labours.

SWOT analysis:

Strength:

- JBL has diverse markets covering Customers in more than 30 countries in 5 continents.
- The Board members of JBL have multi-faceted professional experience & expertise in the various segments of the Industry.
- Accredited under various industry standards.
- ISO quality standards, systems and environments.
- Expertise to manufacture Value-added & Specialised bags.
- Good R & D facilities that has come out with new value add bags.
- Increased requirement of Industrial Packaging in India.
- We are at the beginning of a upward market cycle for the next 15years.

Weakness:

- Industry is highly labour intensive which may lead to attrition issues.
- High lead time for shipments to Europe and USA could be a deterrent to a number of customers
- Power cuts resulting in less utilization of full capacity of machineries.
- Yet to be highly competitive in the world market and satisfy the ever increasing demands of the clients.

Opportunity:

- World wide ever increasing high demand.
- Major production centers in Europe and in particular Turkey are downsizing due to high cost of production.
- India and China are positioned to get bigger share from the production downsized European markets.
- Exploration of new growing markets in Africa and South America, where FIBC business opportunity is tremendous.
- Market share: Increasing the market share in the world market especially in the value added and the Speciality segment, which comprises of about 1/10th of the total FIBC market in terms of volume.
- Product Mix composition: The introduction of several value added products and Speciality products in the JBL's stable is expected to have a significant impact on the profitability.
- Direct Marketing: Creating a direct marketing channel to our American and European customers will have significant advantages including direct access and serviceability to the customers.
- Business Model: JBL's Business model is based on the nature of the customer's requirement and preferences. Moving to a more structured customer base will facilitate synergy in operations and also improve the production process and productivity.



Threat:

With recession hit western countries downsizing on their imports, developing economies who export majority of their production to them have taken a hit.

China emerging stronger by the year with a growth rate of more than 20%.

Poor growth in the Indian plastics market with negativity of -32% in the year 2009-10.

Challenges:

INFRASTRUCTURE

Port and other facilities to handle inbound and out bound cargo

Internal transportation more road dependent, poor rail cargo facilities

POWER

Severe shortage in most of the states

LABOUR

Development in all areas increasing demand for labour and labour shortage

FINANCE

Cost of finance @ 10-12%

Strategies:

- ✓ Developing new FIBC models which provide innovation in bag design and utility.
- ✓ Enhanced distribution network
- ✓ Ability to produce value added and Speciality bags.
- ✓ Localised services (Direct Marketing and support)
- ✓ Mechanisation of few processes and increasing productivity.
- ✓ Joint efforts with handling system manufactures to help the end-users for the implementation
- ✓ Offer appropriate and accurate bag design
- ✓ Understand the user need and develop the product for users
- ✓ Develop the Product to fit with supply chain
- ✓ Ensure quality in the handling facility

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believes in constant improvement and strives for better systems and controls at every stage. The Company has adopted various control and monitoring mechanisms, which are audited by an independent Internal Auditor. The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets. Internal Audit is conducted by M/s. A.Raghunathan & Co., Chartered Accountants, Chennai, the Internal Auditors of the Company and the report of the Internal Auditors are reviewed by the management and placed before the Audit Committee.

The audit also evaluates the adequacy and effectiveness of the internal control systems and monitors the action taken pursuant to audit observations. All the shortcomings in the regular activities are brought to the notice of the Committee and the Board and corrective actions are being taken.



MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

Relations between the Management and the labour were cordial, throughout the year under review.

FIXED DEPOSITS:

The total amount of Fixed Deposits from the Public and Shareholders of the Company as at 31st March 2010 was Rs.45,10,000/-. There was no default in repayment of deposits or interest thereon on the due dates and there was no overdue/unclaimed deposit at the end of the year.

DIRECTORS:

Sri G.Krishnamurthy, K.J.M. Shetty, Rama Rao Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Sri. G.S.Anil Kumar, Director – Finance and Sri. G.P. Ramraj, Director – Marketing present term as Whole time Directors for three years comes to an end by the month of October this year. Sri M.V.Ananthakrishna has been appointed as an additional director to the Board during the year. The Board recommends for their re-appointment / appointment and places before the Shareholders for their consent.

SUBSIDIARY

Your company has made an investment of USD 5000 in Jumbo Bag LLC, Georgia, USA which has commenced commercial operations during the year. The total turnover for the company during the year is Rs 71.33 Lakhs. While the potential of the market is huge, exploiting the market requires appointing sales personnel resulting in huge fixed cost on recurring basis without any certainty of orders. Your company therefore is evaluating various options for the growth of Jumbo Bag LLC. While it is currently a subsidiary, Joint Ventures are being explored and the future plans will determine its holding structure. The operation of the Jumbo Bag LLC are also not material and is insignificant in relation to that of its parent company, Jumbo Bag Ltd. Therefore the consolidated financial statements are not presented herewith. However a statement pursuant to Section 212 of Companies Act, 1956 is annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that they have:

- i. followed the applicable Accounting Standards in the preparation of the annual accounts;
- ii. selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for the year under review.
- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and detecting fraud and irregularities;
- iv. prepared the accounts for the financial year on a "going concern" basis.

STATUTORY AUDITORS:

The Board of Directors recommends the appointment of the Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The present Auditors, M/s. M. Srinivasan & Associates are eligible for reappointment.

INDUSTRIAL RELATIONS:

Industrial relations continued to be cordial. The Directors place on record their deep appreciation for the sincere and dedicated teamwork of all employees at all levels to meet the quality, cost and delivery requirements of the customers.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company were in receipt of remuneration which in the aggregate exceeded the limits fixed under sub-section (2A) of Section 217 of the Companies Act, 1956 Read with Companies (Particulars of Employees) Rules, 1975 as amended.



INFORMATION UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given as Annexure I of this Report.

SOCIAL RESPONSIBILITY:

Your company continues to participate actively in the community needs by conducting health camps, supporting vocational training centers, support to Gorantla Ramalingaiah Vivekananda School etc.,

ACREDITATION PROCESS:

BRC Certificate:

Your company on fulfilling the requirement of Global Standard for Packaging & Packaging Material has been awarded the Certificate by British Retail Constorium.

ISO 14001:2004 - Environmental Management System

The ISO has developed international environmental standards which are known as the ISO 14000. It provides the framework for the development of an environmental management system and the supporting audit programme. Your company having met the standards prescribed by ISO 14000: 2004, has been awarded the certificate for environment management system.

ISO 22000 – Food Safety Management system

Your company has taken the lead in implementation of ISO 22000 and has been certified for Food Safety Management System.

All certificates have been issued by Intertex System Certificates.

CORPORATE GOVERNANCE:

The Company has complied with all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the Company is listed. In line with the requirements of Clause 49 of the listing agreement, a separate report on Corporate Governance, along with a certificate from the Statutory Auditors of the Company is annexed herewith for the information of the members.

CAUTIONARY STATEMENT:

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards incorporated in the listing agreement with Stock Exchanges and such statements may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their gratitude to the Central Government and the Government of Tamil Nadu, State Bank of India, State Bank of Hyderabad and Indian Overseas Bank for their continued support during the year. Your Directors also wish to convey their thanks to the valued customers, employees and dealers for their continued patronage during the year.

For and on behalf of the Board

Place : Chennai
Date : 31.05.2010

N.D.PRABHU
Chairman

**ANNEXURE - I**

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

FORM - A**A. CONSERVATION OF ENERGY**

JBL is always looking for an opportunity to save the energy and every available opportunity is utilized:

1. 65 nos. Electronic Chokes are replaced in the place of conventional chokes to save energy. Investment is Rs. 9750/- extra when compared to conventional chokes (copper ballast). Payback period = 3 months.
2. Two nos. three star (BEE) rated energy efficient Air-conditioners are installed in Officer's cabin.
3. A.C Variable Introduced for Cheese winder motors to save energy upto a maximum of 1 unit/hour.
4. A.C Variable Drive introduced for Warping machine to save energy at the maximum of 2 unit/hour.

S.No	Particulars	2009-10	2008-09
A	Power and Fuel Consumption:		
1	Electricity		
	(a) Purchased		
	Unit	41,41,086	45,97,232
	Total amount	2,01,82,541	2,15,93,004
	Rate/unit	4.87	4.69
	(b) Own generation:		
	(i) Through diesel generator		
	Unit	12,44,454	11,43,068
	Unit per liter of Diesel oil	3.19	3.22
	Cost/unit	10.81	10.87
	Diesel (in liters)	3,89,763	3,53,983

NOTE:

DG Units Consumption increased due to TNEB-WEEKLY OFF DECLARATION FOR POWER AND PEAK HOUR CUT.

**FORM - B****B. RESEARCH AND DEVELOPMENT (R&D)**

Developed circular baffal bag - and special sewing machines are developed to increase the production. Special extruder and cheese winders are developed to produce monofilament conductive yarn

S.No	Particulars	2009-10	2008-2009
A	Expenditure on R & D:	(Rupees in Lakhs)	
B	Capital Expenditure	Nil	Nil
C	Revenue	Nil	0.24
	Total	Nil	0.24
D	Total R&D expenditure as a percentage of total turnover	Nil	0.003

The sum of Rs.21.38 Lakhs spent on earlier years towards technical know how is written off as Product Development Expenses during the Current Year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

S.No	Particulars	2009-10	2008-2009
A	Foreign Exchange outgo:	(Rupees in Lakhs)	
B	C.I.F. Value of imports	1941.08	1,498.13
C	Travel	27.52	34.00
	Commission (paid for Previous years liability)	6.82	Nil
D	Testing Charges	6.11	7.32
	Total	1943.70	1605.82
	Foreign Exchange Earned:		
	F.O.B. Value of Exports	1994.39	2,788.29

For and on behalf of the Board

Place : Chennai
Date : 31.05.2010

N.D.PRABHU
Chairman



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

At JBL, sound corporate governance is a mantra practiced at all levels so that every shareholder / stakeholder is ensured of efficient and smooth running of the company. It also envisages attainment of highest levels of transparency, accountability and equity in all facets of its operations and maintains best possible standards of Corporate Governance with the belief that all such actions will have the consequent effect of increasing the shareholder value on a sustained basis.

The company's corporate governance philosophy has been further strengthened through adopting code of conduct for prohibition of insider trading in line with the latest SEBI regulations for prevention of insider trading. By bringing in such code of conduct the company has moved ahead in its pursuit of excellence in corporate governance.

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 the same are given infra in the Report of Corporate governance.

2. BOARD OF DIRECTORS:

All the Directors in your company are eminently qualified and are committed to the highest personal and professional ethics, integrity in the interest of the shareholders.

- **Board Composition:**

Sri.N.D. Prabhu chairs the Board of the Company and Sri. G.P.N. Gupta is the Managing Director. The Board consists of 11 Directors out of which 6 (more than 50%) are independent directors. The Composition of the Board and category of Directors are given below.

- **Board Meetings:**

During the financial year, the Board met 6 times on 23rd June 2009, 21st July 2009, 23rd September 2009, 27th October 2009, 27th January 2010 and 27th March 2010.

- **Attendance of each Director at the Board Meetings and Last AGM and details of other Directorship as on 31st March 2010:**

Name of the Directors	Category of Directorship	No of shares held as on 31st March 2010	Attendance Particulars		No of other Directorship and Committee membership	
			Board Meetings	Last AGM	Other Directorships *	Other of Committee membership #
Sri.N.D. Prabhu	Chairman (NEI)	Nil	6	Yes	5 (As per Annexure I)	2 (As per Annexure II)
Sri.G. Sudhakar	Vice Chairman (NE)	47600	6	Yes	2 (As per Annexure I)	Nil
Sri. G.P.N. Gupta	Managing Director (E)	115150	6	Yes	Nil	Nil



Sri. B.Surender	Director (NEI)	Nil	6	Yes	6 (As per Annexure I)	3 (As per Annexure II)
Sri K.J.M.Shetty, I.A.S.(Retd.)	Director (NEI)	Nil	6	Yes	7 (As per Annexure I)	3 (As per Annexure II)
Sri G.Radhakrishna	Director (NE)	95750	6	Yes	2 (As per Annexure I)	Nil
Sri M.Rama Rao	Director (NEI)	Nil	5	Yes	1 (As per Annexure I)	Nil
Dr.Gaddam Kumar Reddy	Director (NEI)	75230	1	No	Nil	Nil
Sri G.S.Anilkumar	Director-Finance (E)	26000	6	Yes	Nil	Nil
Sri G.P.Ramraj	Director-Marketing (E)	32500	4	Yes	Nil	Nil
Sri. G. Krishnamurthy	Director (NEI)	Nil	4	Yes	Nil	Nil

E-Executive, NE-Non Executive, NEI-Non Executive Independent

* Includes Private Limited Companies

Audit Committee, Share holders/Investors Grievance Committee and Selection & Remuneration Committee are alone considered for this purpose.

3. INSIDER TRADING CODE OF CONDUCT

The Securities and Exchange Board of India (Insider Trading Regulations) 1992 and amendments thereto, specifies for a mandatory Code for Corporate Disclosures for all Listed Companies. Based on the requirements under these regulations, Code of Conduct for prevention of Insider Trading and Code for Corporate Disclosures has been adopted and implemented by the Company for its Directors and Senior Management Employees.

4. TRADING IN NSE PLATFORM:

The company is glad to inform its shareholders that, with a Memorandum of Understanding between Madras Stock Exchange and National Stock Exchange your company's shares that are listed in Madras Stock Exchange are allowed to be traded in the National Stock Exchange platform.

National Stock Exchange as a new initiative has entered into a agreement with Madras Stock Exchange where companies with good corporate governance are selected to give them a better platform in the National level to the investors.

Thus the company's shares can be traded in both National Stock Exchange and Bombay Stock Exchange.

5. AUDIT COMMITTEE:

As per Sec 292A of the Companies Act, 1956 read with Clause 41 and 49 of the Listing Agreement, the Company is required to have an Audit Committee. The scope of the Audit Committee is as below:



1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financials are correct, sufficient and credible.
2. Recommending to the Board, the appointment reappointment and if required the replacement of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustment made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirement relating financial statements
 - Disclosure of related party transactions
 - Qualifications in the draft audit report
5. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems.
6. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, reporting structure, coverage and frequency of internal audit.
7. Discussion with Internal Auditors any significant findings and follow up thereon
8. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure internal control systems of a material nature and reporting the matter to the Board.
9. Discussion with Statutory Auditors before the audit commences, about the nature and a scope of audit as well as post audit discussion to ascertain any area of concern
10. To look into the reasons for substantial defaults, if any, in the payment to the depositors, shareholders (in the payment of declared dividends) and creditors.
11. To introduce and review the Whistle Blowing Policy
12. Carrying out such other function as may be specifically referred to the Committee by the Board and / or other Committees of Directors of the Company.
13. To review the following information:
 - The management discussions and analysis of financial condition and results of operation
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Internal control weaknesses reported by the Statutory or Internal Auditors
 - Reviewing the financial statements
 - Review of uses / applications of funds raised through an issue (Public issue, right issue, preferential issue etc.)

**Composition of the Committee as on date, Meetings held and attendance during the year:**

Particulars	Name of the Chairman/Member	No of Meetings held	No of Meetings attended
Chairman	Sri N.D. Prabhu	4	4
Members	Sri K.J.M. Shetty	4	4
	Sri B. Surender	4	4
	Sri G.Sudhakar	4	4

Company Secretary is the Secretary to the Audit Committee.

6. SELECTION & REMUNERATION COMMITTEE:

The scope of the committee is as below:

- To deal with appointments, remuneration, promotion and other related aspects in respect of the Managing Director, Whole-time Director and other Senior Management staff members of the Company.
- To review the remuneration policy of the company from time to time which is in consonance with the existing industry practice, i.e. directed towards rewarding performance, based on review of achievement on periodical basis.
- **Composition of the Committee as on date, Meetings held and attendance during the year:**

Particulars	Name of the Chairman/Member	No of Meetings held	No of Meetings attended
Chairman	Sri K.J.M. Shetty	3	3
Member	Sri B. Surender	3	3
Member	Sri N.D.Prabhu	3	-
Member	Sri Krishnamurthy Grandhy	3	-

7. REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2009-2010:**a) Sri G.P.N.Gupta, Managing Director**

Fixed Components	2009-2010 (Amount in Rs.)	2008-2009 (Amount in Rs.)
Salary/Allowances	21,19,992	22,03,325
Perquisites	14,644	36,604
Retirement Benefits	1,80,000	1,80,000
Variable Components-commission	Nil	Nil
Total	23,14,636	24,19,929

b) Sri. G.S. Anil Kumar, Director - Finance

Fixed Components	2009-2010 (Amount in Rs.)	2008-2009 (Amount in Rs.)
Salary/Allowances	10,60,008	9,70,551
Perquisites	Nil	Nil
Retirement Benefits	90,000	77,400
Variable Components-commission	Nil	Nil
Total	11,50,008	10,47,951

**c) Sri. G.P. Ramraj, Director - Marketing**

Fixed Components	2009-2010 (Amount in Rs.)	2008-2009 (Amount in Rs.)
Salary/Allowances	10,60,008	9,70,551
Perquisites	36,332	13,470
Retirement Benefits	90,000	77,400
Variable Components-commission	Nil	Nil
Total	11,86,340	10,61,421

d) Sri G.Sudhakar, Vice Chairman & Chief Mentor

Fixed Components	2009-2010 (Amount in Rs.)	2008-2009 (Amount in Rs.)
Salary/Allowances	Nil	13,92,777
Perquisites	Nil	Nil
Retirement Benefits	Nil	Nil
Variable Components-commission	Nil	Nil
Retainer fees	5,40,000	Nil
Total	5,40,000	13,92,777

There is no notice period and severance fee. The Company does not have a scheme for grant of Stock Option to the Directors.

Remuneration by way of Sitting fee of Rs.10,000/- is paid to the Non-Executive Directors for attending Board/ Committee meetings. Apart from the sitting fees, travel, accommodation and out-of-pocket expenses incurred by them for attending the meetings are also reimbursed.

Name of the Directors	2009-10 Amount (Rs.)
Sri N.D.Prabhu	1,00,000
Sri G.Radhakrishna	60,000
Sri B.Surender	1,40,000
Sri K.J.M.Shetty	1,30,000
Sri M.Rama Rao	40,000
Sri G.Krishna Murthy	40,000
Sri G.Sudhakar	2,90,000
Sri Gadam Kumar Reddy	10,000
Total	8,10,000

8. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

The Share Transfer Committee consist Sri G. Sudhakar, as a Chairman of the Committee & Sri G.P.N.Gupta as a Committee member. The Investors Grievance Committee consist Sri G. Sudhakar, as a Chairman of the Committee and Sri. Krishnamurthy Grandhy as member of the Committee and the Company Secretary is the Secretary for both the Committees.

The role of the Committee is to look into the redressal of shareholders and investors complaints on transfer of shares, non – receipt of Balance Sheet, non-receipt of declared Dividend etc. and also oversee the performance of the Registrar and Transfer Agent.

9. COMPLIANCE OFFICER:

Mr. Jayanth Viswanathan, Company Secretary is the Compliance Officer and his e-mail address is csjbl@blissgroup.com. The Company has not received any complaints during the year.



10. GENERAL SHAREHOLDERS INFORMATION:

AGM Date	:	31 st August 2010
Time and venue	:	10.30 Hrs Sri Thyaga Brahma Gana Sabha, Sri P. Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai- 600 017.
Date of Book closure	:	25th August, 2010 to 31st August, 2010
Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd Madras Stock Exchange Ltd National Stock Exchange Ltd.,*
Stock Code	:	516078
ISIN	:	INE699D01015
Registrar and Transfer Agents	:	M/S.Cameo Corporate Services Ltd 1, Club House Road, Mount Road, Chennai - 600 002
Manufacturing Division	:	Unit I No.75, Thatchur Kootu Road, Panjetty Village, Ponneri Taluk, Thiruvallur District-601 204 Unit II No.106, G.N.T.Road, Alinjivakkam P.O., Ponneri Taluk, Thiruvallur District-600 067
Address for correspondence	:	"S.K.Enclave" No.4, (Old No.47) 1st Floor, Nowroji Road, Chetpet, Chennai – 600 031.

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

MARKET PRICE DATA (HIGH, LOW DURING EACH MONTH IN THE YEAR 2009-10):

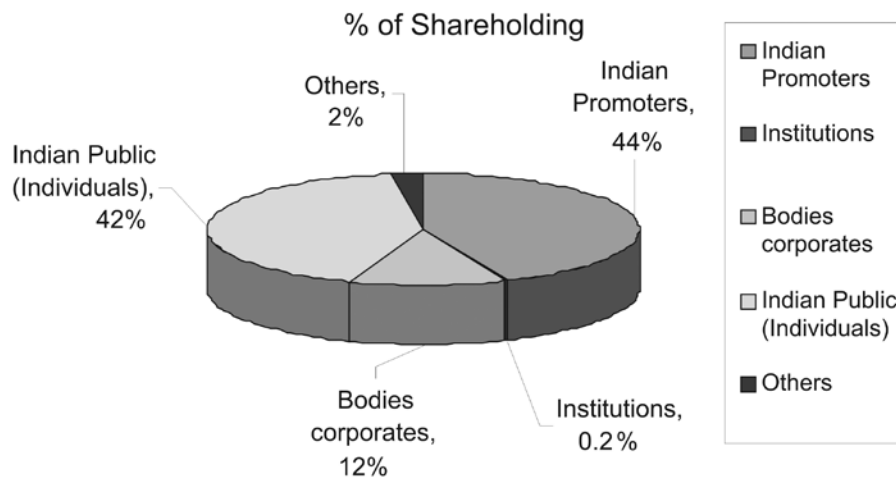
Month	High (Rs.)	Low (Rs.)
April 2009	24.62	13.66
May 2009	33.20	23.25
June 2009	49.00	27.30
July 2009	69.10	48.25
August 2009	46.90	34.60
Sep 2009	43.00	28.05
Oct 2009	37.45	27.75
Nov 2009	45.10	28.00
Dec 2009	45.10	31.00
Jan 2010	43.60	31.10
Feb 2010	35.50	29.65
Mar 2010	33.85	29.00
April 2010	46.40	30.75



DISTRIBUTION OF SHAREHOLDING (AS ON 30th April 2010):

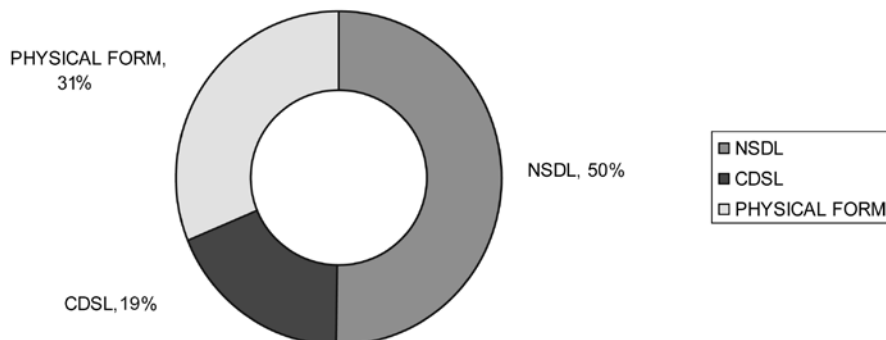
No. of shares held	Folio		Shares	
	Number	%	Number	%
Upto - 500	6762	86.98	1217942	15.27
501 - 1000	467	6.01	397223	4.98
1001 - 2000	206	2.65	326949	4.10
2001 - 3000	80	1.03	208718	2.62
3001 - 4000	49	0.63	174539	2.19
4001 - 5000	53	0.68	246078	3.09
5001 - 10000	67	0.86	496124	6.22
10001 - 20000	42	0.54	552597	6.93
20001 - 50000	31	0.40	929181	11.65
50001 - 100000	13	0.17	926999	11.63
100001 & above	4	0.05	2497350	31.32
Total	7774	100.00	7973700	100.00

SHAREHOLDING PATTERN AS ON 30th APRIL 2010:



DEMAT/PHYSICAL STATUS OF SHARES (% TO PAIDUP CAPITAL) AS ON 30th APRIL 2010:

The Company has entered into the necessary agreements with NSDL and CDSL for dematerialization of the shares held by investors. SEBI has included the shares of your Company in the list of scripts for trading only in dematerialized form for all investors with effect from June, 2001.



**GENERAL BODY MEETINGS:**

Year, Date & Time	Location	Whether special resolutions passed
2006-07 18.09.2007 10.30 A.M. (AGM)	Sri Thyaga Brahma Gana Sabha, Sri Chandrasekarendra Saraswathi Mahaswami Auditorium, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai – 600 017	Yes
2007-08 23.09.2008 10.30 A.M. (AGM)	Sri Thyaga Brahma Gana Sabha, Sri Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai – 600 017	Yes
2008-09 23.09.2009 10.30 A.M. (AGM)	Sri Thyaga Brahma Gana Sabha, Sri Obul Reddy Hall, Vani Mahal, No.103, G.N.Chetty Road, T.Nagar, Chennai – 600 017	No

MEANS OF COMMUNICATION:

The half yearly/quarterly financial results are published in newspapers viz., "Business Standard" (All India Edition), "The Financial Express" and "Malai Murasu" (Tamil). The half yearly/quarterly financial results are also displayed on the Company's website www.blissgroup.com. The Company's website also displays several other details/information of interest to stakeholders.

CODE OF CONDUCT:

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. The Managing Director's declaration as required under Clause 49 (1) (D) of the Listing Agreement is given as Annexure V.

DISCLOSURE:

During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management, subsidiary company or relative etc., which were in conflict with the interest of the Company. The necessary disclosure regarding the transactions with related parties is given in Note No.19 of notes on annual accounts for the year 2009-10.

There was no instance of non compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters, during the last three years.

The Company does not have a formal whistle blower policy. However, no person has been denied access to the Audit Committee. The non mandatory requirements of Clause 49 of the Listing Agreement, wherever necessary have been complied with.

CEO/CFO CERTIFICATION:

The certificate as required under Clause 49(VI) of the Listing Agreement is given as Annexure III.

COMPLIANCE CERTIFICATE OF THE AUDITORS:

Certificate from the Auditors of the Company, M/s. M.SRINIVASAN & ASSOCIATES, Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 (VII) of the listing agreement is given as Annexure IV.

For **and on behalf of the Board**

Place : Chennai
Date : 31.05.2010

N.D.Prabhu
Chairman



ANNEXURE I

Name of the Director with Designation	Other Directorship
Sri.N.D. Prabhu, Chairman (NEI)	Brescon Corporate Advisors Ltd Aqua Control Values Pvt. Ltd Self Growth Nidhi Ltd Bigtech Pvt.Ltd CTD Development Associates Pvt.Ltd
Sri. B.Surender, Director (NEI)	Stanpacks (India) Ltd Vibgyor Graphics & Research centre Ltd. Reputech Systems Pvt. Ltd. Kautex Textron India Pvt. Ltd Kudumba Vilakku Benefit Fund Ltd. Dravidan Benefit Fund Ltd.
Sri K.J.M.Shetty, I.A.S.(Retd.) Director (NEI)	Loyal Textile Mills Ltd., Roots Multiclean Ltd., Eneka Ceramics India Pvt. Ltd V.K.S.Solutions Pvt.Ltd Gateway Distriparks Ltd Gateway Distriparks (South) Pvt. Ltd. Savant India Institute of Technology (P) Ltd
Sri G.Radhakrishna, Director (NE)	Stanpacks (India) Ltd Balaji Trading Enterprises Pvt.Ltd.,
Sri M.Rama Rao, Director (NEI)	Suryachandra paper Mills Ltd
Sri.G.Sudhakar, Vice Chairman (NE)	Balaji Trading Enterprises Pvt.Ltd., Plex Council International Inc Executive Committee Member of Andhra Chamber of Commerce Committee of Administration Member of Plastic Export Promotion Council

ANNEXURE II

Name of the Director with Designation	Name of the Committee & Chairman/Member	Name of the Company
Sri.N.D. Prabhu, Chairman (NEI)	Audit Committee – Chairman Remuneration Committee – Chairman	Brescon Corporate Advisors Ltd Brescon Corporate Advisors Ltd
Sri. B.Surender, Director (NEI)	Audit Committee – Chairman Remuneration Committee – Chairman Shareholders/Investors Grievance Committee - Chairman	Stanpacks (India) Ltd Stanpacks (India) Ltd Stanpacks (India) Ltd
Sri K.J.M.Shetty, I.A.S.(Retd.) Director (NEI)	Audit Committee – Chairman Audit Committee – Chairman Investor Relation Committee - Member	Gateway Distriparks Ltd Loyal Textile Mills Ltd., Savant India Institute of Technology (P) Ltd



ANNEXURE III

CERTIFICATION BY CEO AND CFO OF JUMBO BAG LTD:

We, G.P.N.Gupta, Managing Director and G.S. Anil kumar, Director-Finance of Jumbo Bag Limited (the Company), to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statement and Directors' Report.
 - a. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit any material fact or contain statements that might be misleading.
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and belief, there are no transactions entered into by Jumbo Bag Limited, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls and procedures for the Company pertaining to financial reporting, and have evaluated the effectiveness of these procedures in Jumbo Bag Limited. We have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.
4. We have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors:-
 - a. Significant changes in internal controls during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
 - c. Instances, if any, of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
5. We affirm that we have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).
6. We further declare that all Board members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

G.P.N. GUPTA
Managing Director

G.S. ANIL KUMAR
Director - Finance

Place : Chennai,
Date : 31.05.2010



**ANNEXURE IV
CERTIFICATE
TO THE MEMBERS OF JUMBO BAG LIMITED**

We have examined the compliance of conditions of Corporate Governance by JUMBO BAG LIMITED for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we Certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.SRINIVASAN & ASSOCIATES**
Chartered Accountants
FRN: 004050S

R.MOHAN
Partner
M.No.22460

Place : Chennai
Date : 31.05.2010

**ANNEXURE V
DECLARATION FOR CODE OF CONDUCT**

I hereby affirm and state that

- a. Pursuance to Clause 49 (I) (D) of the Listing Agreement with Stock Exchanges, a Code of Conduct for the Board Members and the Senior Management Personnel of the Company has been adopted.
- b. The said Code of Conduct has been posted on the website of the Company.
- c. All Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the period ended 31st March 2010.

Place : Chennai
Date : 31.05.2010

G.P.N.GUPTA
Managing Director



AUDITOR'S REPORT

To the Members of Jumbo Bag Ltd

1. We have audited the attached Balance sheet of **JUMBO BAG LIMITED** as at March 31, 2010, the Profit and Loss Account and the Cash Flow statement for the year ended on that date, annexed thereto, signed by us under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - 3.1 We have obtained all the information and explanations, which to the best of our Knowledge and belief, were necessary for the purposes of our audit.
 - 3.2 In our opinion, proper books of account, as required by law, have been maintained by the company so far as appears from our examination of those books.
 - 3.3 The financial statements dealt with by this report are in agreement with the books of account.
 - 3.4 In our opinion, the aforesaid financial statements comply in all material respects with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India referred to in section 211(3C) of the Act.
 - 3.5 On the basis of written representations received from the directors, and taken on record by the Board of Directors, We report that none of the directors is prima facie disqualified as on March 31, 2010 from being appointed as a Director in terms of section 274 (1) (g) of the Act.
 - 3.6 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the statement on significant Accounting Policies and Notes to the Accounts, give the information required by the Companies Act 1956, (the Act) in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet of the state of the affairs of the company as at March 31, 2010;
 - b. In the case of the Profit and Loss Account of the profit for the year ended on that date; and
 - c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on the date.
4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of section 227(4A) of the companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
 - 4.1 a. In our opinion, the company is maintaining proper records showing full Particulars including quantitative details and situation of fixed assets.



- b. The fixed assets have been physically verified under a phased programme of verification, which, in our opinion, is reasonable, and no material discrepancies have been noticed on such verification.
 - c. The company has not disposed off substantial part of its fixed assets during the year.
- 4.2
- a. In our opinion, inventories have been physically verified during the year by the management at reasonable intervals.
 - b. In our opinion, the procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion, on the basis of examination of inventory records the Company is maintaining proper record of its inventories and no material discrepancies were noticed on physical verification.
- 4.3
- a. The company has neither granted nor taken any loans, secured or unsecured, to and from companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b. Since the company has neither granted nor taken any loans, secured or unsecured, to and from companies, firms or other parties covered in the register under 301 Of the Act, reporting under this clause does not arise.
 - c. In respect of such other loans given by the company, where stipulations have been made, they have generally repaid the principal amounts as stipulated and have been regular in payment of interest, wherever applicable.
 - d. In respect of such loans given by the company, there are no overdue amounts more than Rs. 100000.
- 4.4
- In our opinion, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. Further on the basis of our examination of the books and records of the company, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedure.
- 4.5
- a. The transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act 1956 have been entered in the register.
 - b. In our opinion and according to information and explanations given to us, the transactions exceeding rupees five lakh each have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
- 4.6
- In our opinion, the company has complied with the provisions of section 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) rules, 1975 with regard to deposits accepted from public.
- 4.7
- In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- 4.8
- The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956, for the products manufactured by the company.
- 4.9
- a. According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted or accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Income tax, Sales Tax, Customs Duty, Service Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Employees State Insurance, Excise Duty, Wealth Tax.



There are no dues on account of Cess under 441A of the Companies Act, 1956 since the date from which the aforesaid section comes in to Force has not yet been notified by the Central Government of India.

According to the information and explanations given to us, no undisputed Amounts payable in respect of Income Tax, Service Tax, Customs Duty, Sales Tax and other material statutory dues that were in arrears as at 31st of March 2010 for a period of more than six months from the date they become payable.

- b. Details of dues towards sales tax, income tax and excise duty that have not been deposited on account of dispute are as stated in Note 15 of Notes to the accounts forming part of the financial statements.
- 4.10 The company does not have any accumulated losses as at March 31, 2010 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 4.11 In our opinion, the company has not defaulted in repayment of its dues to bank during the year.
- 4.12 In our opinion the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 4.13 The provisions of any special statute applicable to a chit fund, nidhi, mutual benefit fund / societies are not applicable to the company.
- 4.14 In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the companies (Auditors report) order 2003 are not applicable to the company.
- 4.15 In our opinion, the company has not given any guarantee for the loans taken by others from banks and financial institutions.
- 4.16 In our opinion, the term loans availed by the company during the year were, prima facie, applied for the purpose for which they were obtained, other than temporary deployment pending application.
- 4.17 On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment and vice-versa.
- 4.18 The company has not made any preferential allotment of shares to parties and companies listed in the register maintained under Sec 301 of the Act.
- 4.19 Since the company has not issued any debentures, the provisions of clause 4(xix) of the Companies (Auditors report) order 2003 are not applicable to the company.
- 4.20 The company has not raised any money by way of public issues during the year.
- 4.21 In our opinion, considering the size and nature of the company's operations, no fraud of material significance on or by the company has been noticed or reported during the year.

For **M.SRINIVASAN & ASSOCIATES**
Chartered Accountants
FRN: 004050S

R.MOHAN
Partner
M.No.22460

Place : Chennai
Date : 31.05.2010

**BALANCE SHEET AS AT 31ST MARCH 2010**

Particulars	Schedule	As at 31st March 2010		As at 31st March 2009	
		Rs.		Rs.	
Sources of Funds					
Shareholders' Funds					
Share Capital	1		83,817,000		68,137,000
Share Warrants Account	1				10,700,000
Reserves & Surplus	2		89,974,365		72,307,271
Loan Funds					
Secured Loans	3		253,767,279		229,351,467
Unsecured Loans	4		4,510,000		14,967,467
Deferred Tax Liability	5		39,133,369		38,039,229
Total			471,202,013		433,502,434
Application of Funds					
Fixed Assets:	6				
Gross Block		387,618,252		375,458,455	
Less: Accumulated Depreciation		136,906,278	250,711,974	121,866,614	253,591,841
Investments (at cost)			227,475		
Current Assets, Loans & Advances	7	314,173,161		273,914,942	
Less: Current Liabilities & Provisions	8	93,910,597	220,262,564	94,505,208	179,409,733
Miscellaneous Expenditure (to the extent not written off or provided for)	9		-		500,860
Total			471,202,013		433,502,434

Significant accounting policies

Notes to the accounts

The schedules referred to above form an integral part of these financial statements

As per our report of even dates

For **M.SRINIVASAN & ASSOCIATES**

Chartered Accountants

FRN : 004050S

For and on behalf of the Board

R.MOHAN

Partner – Membership No.22460

G.P.N.GUPTA

Managing Director

G.S.ANIL KUMAR

Director – Finance

Place: Chennai

Date : 31.05.2010

JAYANTH VISWANATHAN

Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

Particulars	Schedule	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
INCOME			
Gross Turnover Net	10	674,799,653	754,761,813
Operational Income	11	11,355,649	902,893
Other Income	12	3,565,584	6,458,451
Total Income		689,720,886	762,123,157
EXPENDITURE			
Manufacturing Expenses	13	600,806,562	646,440,675
Administrative Expenses	14	262,444,659	27,835,981
Selling Expenses	15	31,777,071	36,609,598
(Increase) / Decrease in Stock	16	(26,594,732)	(19,772,674)
Total Expenditures		632,233,359	691,113,580
Profit before Interest, Depreciation & Taxation		57,487,527	71,009,577
Interest & Finance Charges	17	27,963,299	31,963,849
Profit before Depreciation & Taxation		29,524,228	39,045,728
Less: Depreciation	6	18,408,958	17,073,653
Miscellaneous Expenditure Written Off	9	500,860	500,845
Profit before Tax		10,614,410	21,471,230
- Current Tax		3,607,838	5,595,449
- Deferred Tax		1,094,140	873,497
- Fringe Benefit Tax			651,523
Profit / (Loss) after Tax		5,912,432	14,350,761
Add / (Less) : Prior Period adjustments (Net)		154,662	135,709
Add / (Less) : Profit brought forward from previous Year		30,554,271	21,665,100
Profit available for appropriation		36,621,365	36,151,571
Less: Dividend on Equity Shares			4,784,220
Dividend Tax on Equity Shares			813,080
Balance Carried to Balance Sheet		36,621,365	30,554,271
Earnings Per Share in (Rs.)			
profit per share (par value Rs 10 each)			
Basic and diluted		0.76	2.11
Weighted average number of equity shares			
Basic and diluted		7,973,700	6,813,700

Significant accounting policies

Notes to the accounts

The schedules referred to above form an integral part of these financial statements

As per our report of even dates
For **M.SRINIVASAN & ASSOCIATES**
Chartered Accountants
FRN : 004050S

For and on behalf of the Board

R.MOHAN
Partner – Membership No.22460

G.P.N.GUPTA
Managing Director

G.S.ANIL KUMAR
Director – Finance

Place: Chennai
Date : 31.05.2010

JAYANTH VISWANATHAN
Company Secretary



SCHEDULES FORMING PART OF ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1		
Authorised		
1,40,00,000 Equity Shares of Rs.10/- each	140,000,000	140,000,000
6,00,000 Non-convertible Redeemable cumulative preference Shares of Rs.100/- each	60,000,000	60,000,000
Issued, Subscribed and Paid-up		
79,73,700 Equity Shares of Rs.10/- each (of above includes 11,60,000 equity shares of 10 each allotted during the year by conversion of share warrants)	79,737,000	68,137,000
Share Warrants Accounts Equity Shares of Rs.10/- each		10,700,000
Shares Forfeited Account equity shares of Rs.10/- Each	4,080,000	-
Total	83,817,000	78,837,000
SCHEDULE 2		
Reserves & Surplus		
Share Premium Account		
Securities Premium -10,90,000 equity Shares @Rs.10.50/- Each and 11,60,000 equity shares of Rs.10each (previous year 10,90,000 equity shares @Rs.10.50 each)	23,045,000	11,445,000
Capital Redemption Reserve	8,675,000	8,675,000
Capital Reserve	19,633,000	19,633,000
General Reserve	2,000,000	2,000,000
Profit & Loss Account.	36,621,365	30,554,271
Total	89,974,365	72,307,271
SCHEDULE 3		
Secured Loans		
Term Loans		
Medium Term from State Bank of India	31,284,704	41,937,228
Medium Term from State Bank of Hyderabad	3,602,828	7,021,509
Medium Term Loan from IOB	6,740,348	13,526,946
Working Capital facilities		
State Bank of India	83,657,945	99,156,254
State Bank of Hyderabad	77,225,677	66,172,867
Buyers Credit	49,881,622	-
Borrowings from Other Banks under Hire Purchase"	1,374,155	1,536,663
Total	253,767,279	229,351,467
SCHEDULE 4		
Unsecured Loans		
Public Deposits	4,510,000	3,410,000
Others		11,557,467
Total	4,510,000	14,967,467
SCHEDULE 5		
Deferred Tax Liability	38,039,229	37,165,732
Add: Liability	1,094,140	873,497
Closing Balance	39,133,369	38,039,229



SCHEDULE 6

SCHEDULE OF FIXED ASSETS - Depreciation Schedule for the period ended 31.03.2010

(Amount in Rs.)

Particulars	Gross Block				Depreciation			Net Block	
	As at 01.04.2009	Additions	Deletions	As at 31.03.2010	As at 01.04.2009	For the Year	Adjustments	As at 31.03.2010	As at 31.03.2009
Land	7,427,501	-	-	7,427,501	-	-	-	7,427,501	7,427,501
Buildings	93,516,235	1,793,845	-	95,310,080	24,462,385	3,337,970	27,800,355	67,509,725	69,053,850
Plant & Machinery	211,270,793	22,523,135	4,827,502	228,966,426	77,689,687	11,783,039	2,986,994	142,480,694	133,581,106
Furniture & Fittings	7,907,328	395,073	-	8,302,401	2,880,951	643,362	-	4,778,088	5,026,377
Office Equipments	11,666,284	601,229	114,000	12,153,513	7,247,687	1,057,445	18,737	3,867,118	4,418,597
Vehicles	4,835,029	1,078,859	978,497	4,935,391	929,262	460,608	363,563	3,909,084	3,905,767
Electrical & Electronic Equipments	23,064,916	327,172	-	23,392,088	8,656,642	1,126,534	-	13,608,912	14,408,274
Capital Work-in-Progress	15,770,369	11,921,155	20,560,672	7,130,852	-	-	-	7,130,852	15,770,369
Total	375,458,455	38,640,468	26,480,671	387,618,252	121,866,614	18,408,958	3,369,294	250,711,974	253,591,841
Previous Year	356,253,697	27,508,389	8,303,631	375,458,455	105,190,838	17,073,653	397,877	253,591,841	251,062,859



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 7		
A. Current Asset, Loans & Advances		
Inventories (as valued and certified by the Management)		
a) Raw Materials & Intermediates	25,400,925	30,297,997
b) Spares & Consumables	4,950,071	6,120,781
c) Work-in-Progress	93,996,872	63,626,172
d) Finished Goods	12,865,655	16,622,530
e) Scrap	182,620	201,712
f) Goods in transit	9,231,215	13,295,362
	146,627,358	130,164,554
Sundry debtors		
Unsecured		
Debts outstanding for a period exceeding six months		
- considered good	1,835,991	3,342,553
- considered doubtful	70,725	70,725
Other debts		
- considered good	99,069,507	76,801,270
Less: Provision for doubtful debts	(70,725)	(70,725)
	100,905,498	80,143,823
Debtors as at the end of the year with Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956 Jumbo Bag LLC, USA - Rs.25,78,409/- Maximum amount outstanding during the year from companies under the same management as defined under section 370 (1B) of the Companies Act, 1956:Rs.71,33,519/-		
Cash and bank balances		
Cash in hand	174,582	94,111
Balances with scheduled banks		
- in current account	168,959	320,635
- in margin money deposit account	5,373,860	7,382,046
- Dividend account	2,488,679	1,721,327
	8,206,080	9,518,119
B. Loans & Advances		
Loans and advances		
Unsecured, considered good		
Deposits	7,149,717	6,612,068
Advances, recoverable in cash or in kind or for value to be received*	12,915,911	11,085,923
Advances to suppliers	724,989	6,817,854
Balances with government authorities	29,171,379	24,079,953
Prepaid expenses	2,165,015	2,359,027
Interest receivable TUF & others	3,583,429	902,893
Advance tax and tax deducted at source	1,313,333	473,539
Interest accrued but not due on deposits	1,410,452	1,757,189
	58,434,225	54,088,446
* Amount outstanding from companies under the same management as defined under section 370 (1B) of the Companies Act, 1956: Nil		
* Maximum amount outstanding from companies under the same management as defined under section 370 (1B) of the Companies Act, 1956: Nil		
Total	314,173,161	273,914,942



	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 8		
Current liabilities		
Sundry creditors		
- total outstanding dues of micro enterprises and small enterprises (Refer to note of schedule)		
- total outstanding dues of creditors other than micro enterprises and small enterprises	60,549,301	65,266,685
'- Others	7,345,395	6,377,716
Advances from customer	-	351,683
Other liabilities		
- statutory liabilities	2,561,459	
- others	4,438,603	2,040,955
* amounts due to small scale undertakings NIL (Previous period: Rs Nil)		
Provisions		
Expenses	8,342,828	5,964,800
Compensated absences	636,983	1,075,122
Employee benefits	1,626,807	1,327,251
Income Tax	5,920,542	5,595,449
Proposed Dividend		4,784,220
Unclaimed Dividend	2,488,679	1,721,327
Total	93,910,597	94,505,208
SCHEDULE 9		
Miscellaneous Expenditure		
(to the extent not written off or provided for)		
Technical Know How Fees - Opening Balance	500,860	3,139,919
Less: Transfer to Product Development Expenses	-	2,138,214
Less: Written off during the year	500,860	500,845
Total	-	500,860



	Year ended 31st March 2010 Rs.	Year ended 31st March 2009 Rs.
SCHEDULE 10		
Turnover		
Export	232,885,598	296,495,820
Domestic	392,122,852	405,567,469
Job work	609,111	3,312,889
Net turnover	625,617,561	705,376,178
Add: Excise duty	38,825,792	41,002,946
Add: Sales tax	10,356,300	8,382,689
Gross Turnover	674,799,653	754,761,813
SCHEDULE 11		
Operational Income		
TUF Interest	6,119,273	902,893
Excise Duty Drawback	5,236,376	-
	11,355,649	902,893
SCHEDULE 12		
Other Income		
Entry Tax Refunded	828,372	-
Interest from Banks	509,015	506,621
Miscellaneous Income	127,146	2,389,656
Insurance Claim	932,338	-
Profit on Sale of Assets		3,109,396
Interest from Others	374,766	300,000
Exchange Fluctuations on Sales	793,947	152,778
Total	3,565,584	6,458,451
SCHEDULE 13		
Manufacturing Expenses		
Raw Materials Consumed	440,788,433	487,043,925
Spares & Consumables consumed	10,568,166	8,467,915
Power & Fuel	33,631,965	34,234,561
Repairs & Maintenance		
- Building	913,058	749,192
- Machinery	1,381,297	1,266,733
- Others	1,327,295	800,426
Salaries & Wages	21,666,327	20,058,296
Workers Welfare	4,391,381	3,712,016
Job Work Charges	26,900,790	32,281,340
Rent	7,502,929	5,917,768
Watch & Ward	1,670,712	1,641,814
Insurance Expenses	882,117	881,054
Excise duty	38,825,792	41,002,946
Sales Tax	10,356,300	8,382,689
Total	600,806,562	646,440,675



	Year ended 31st March 2010 Rs.	Year ended 31st March 2009 Rs.
SCHEDULE 14		
Administrative Expenses		
Directors' Remuneration	4,650,984	5,922,078
Audit Fees	306,750	316,750
Books & Periodicals	69,385	98,589
Donations	18,000	11,500
Postage, Telegrams & Telephones	1,043,164	1,557,112
Printing & Stationery	802,105	859,588
Rent, Rates & Taxes	837,971	1,518,292
Repairs & Maintenance	887,469	953,331
Staff Welfare Expenses	400,676	390,300
Training Expenses	201,547	205,580
Travelling & Conveyance	2,364,490	2,585,559
Office Maintenance	839,055	806,521
Salaries	7,987,048	8,720,642
Listing Fees & Filing Fees	145,040	60,873
Loss on Sale of Assets	1,837,831	68,848
Sitting Fees	810,000	680,000
Professional & Legal Charges	1,946,836	1,651,174
Advertisement & Publicity	274,959	257,695
Membership & Subscriptions	312,300	298,599
Meeting Expenses	173,736	239,199
Miscellaneous Expenses	43,562	2,846
Gratuity	291,551	630,905
Total	26,244,459	27,835,981
SCHEDULE 15		
Selling Expenses		
Marketing Administration Expenses	6,633,504	5,571,672
Freight Outwards	22,267,346	23,977,905
Sales Promotion Expenses	885,736	1,756,884
ECGC Premium	572,062	580,331
Rebate & Discount on Sales	308,518	3,562,874
Brokerage & Commission	1,109,905	1,159,932
Total	31,777,071	36,609,598
SCHEDULE 16		
(Increase) / Decrease in Stock		
Opening Stock as on 01.04.2009		
Finished Goods	16,622,530	11,262,244
Work-in-Progress	63,626,172	47,609,703
Scrap	201,712	-
Closing Stock as on 31.03.2010		
Finished Goods	12,865,655	15,018,449
Work-in-Progress	93,996,872	63,626,172
Scrap	182,620	-
(Increase) / Decrease in Stock	(26,594,732)	(19,772,674)
SCHEDULE 17		
Interest & Finance Charges		
Bank Charges	4,979,257	4,123,321
Interest to Banks	21,343,139	25,233,005
Interest - Others	1,640,903	2,607,523
Total	27,963,299	31,963,849



NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE 16.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

- (a) The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian rupees.
- (b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses relating to acquisition. Where fixed assets have been acquired from a country outside India, the cost of these fixed assets also includes exchange differences (favorable and unfavorable) arising in respect of foreign currency loans on other liabilities incurred specifically for the purpose of their acquisition. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or constructions are capitalized.

Depreciation is provided on the Straight Line Method from the day in which the asset is put to use. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life or remaining useful life. Pursuant to this policy, depreciation on assets has been provided at the rates based on the estimated useful lives of fixed assets

Assets individually costing Rs 5,000 or less are depreciated at the rate of 100%.

Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.

4. Revenue recognition

Revenue from sale of Manufactured goods, including scrap, is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is inclusive of sales tax, custom duty, trade, Excise duty and quantity discounts on accrual basis.

Interest on deployment of surplus funds is recognized using the time proportionate method based on underlying interest rates.



- (i) TUF Interest : During the current financial year 2009-10, the company has earned Rs.77.71 Lakhs by way of Interest Subsidy from Technology Upgradation Fund maintained by the Central Government. Out of the said amount Rs.61.19 Lakhs relates to the previous year, and the same was recognized in the current year since the receipt of the same become certain only during the current year.

5. Inventories

Inventories are carried at the lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition.

The method of determination of cost is as follows:

- Spares and Consumables are valued at cost.
- Raw-Materials & Intermediates are valued at weighted cost – (net of MODVAT)
- Work-in-Process is valued at material cost plus Manufacturing Expenses.
- Finished Goods are valued at the lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition inclusive of Excise Duty.
- Saleable / disposable stock of scrap is valued at estimated realizable value.

provision for inventory obsolescence is assessed annually and is provided as and when considered necessary.

6. Foreign exchange transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year, except that exchange differences related to acquisition of fixed assets from a country outside India are adjusted in the carrying amount of the related fixed assets.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account except those related to acquisition of fixed assets from a country outside India which are adjusted in the carrying amount of the related fixed assets.

7. Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**8. Tax on Income**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year) provided in the books of accounts.

9. Earnings per share

The basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive equity shares outstanding during the year.

EARNINGS PER SHARE	2009-10	2008-09
Profit available for equity share holder	Rs.59,12,432	Rs. 1,43,50,761
Number of Equity shares (Basic and diluted)	79,73,700	68,13,700
Earnings per Share	Rs.0.76	Rs. 2.11
Cash Earnings per Share	Rs. 3.09	Rs. 4.61

10. Retirement Benefits to Employees.**i Short Term**

Short term employee benefits are recognized as an expense as per the Company's Scheme based on expected obligations.

ii. Post Retirement

Post retirement benefits comprise of provident fund, superannuation and gratuity which are accounted for as follows:

a) Provident fund

This is a defined contribution plan. Contributions in respect of staff and workers are remitted to provident fund authorities in accordance with the relevant statute and are charged to profit and loss account as and when due. The Company has no further obligations for future provident fund benefits in respect of these employees other than its annual contributions.

b) Superannuation

This is a defined contribution plan. The Company makes contribution as per the scheme to superannuation Fund administered by Life Insurance Corporation of India. The Company has no further obligation of future superannuation benefits other than its annual contributions and recognizes such contributions as expense as and when due.

c) Gratuity

This is a defined benefit plan. Provision for gratuity is made based on actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognized immediately in the profit and loss account as income or expense

11. Deferred Tax Liability

Deferred Tax resulting from timing difference between book and Tax profit is accounted for under liability method, at the current rate of tax, to the extent, the timing differences are expected to crystallize.

**12. Intangible Assets****Impairment of Assets:**

The company assesses at each balance sheet date whether there is any indication that an asset including goodwill may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

13. Dues to Micro, Small and Medium Enterprises:

The management is currently in the process of identifying enterprises which have provided goods and services to the company which qualify under the definition of micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Act 2001. Accordingly, the disclosure is apart of amount payable to such Enterprises as at 31st march 2010 is NIL.

14. Details of Managerial Remuneration

Details of Managerial Remuneration	2009-10	2008-09
	In Rupees	In Rupees
Salary and Allowances	42,40,008	55,37,204
Perquisites	50,976	50,074
Contribution to Super Annuation Fund	3,60,000	3,34,800

15. Particulars of demands by Income Tax, Sales Tax, Excise In Dispute and their status is as under:-

	Description	Assessment / Financial year	Demand (including penalty)	Amount not provided	Present status
1	a) Sales Tax – Differential sale price	1998-1999	2.11	2.11	Pending with Tribunal
2	a) DTA Sales beyond the entitlement	1999-2000	12.26	12.26	Pending with Appeals Pending with CESTAT
	b) Excise Duty – Non Payment of CVD, CVD for clearance CESTAT made against advance Release order	1999-2001	26.55	26.55	Pending with commissioner Appeals
	c) Spindle Oil for job work	2006-2007	0.39	0.39	Pending with commissioner Appeals
	d) Excess Cenvat Credit taken on Inputs	2008-2009	2.35	2.35	Pending with Commissioner Appeals
	e) Excess Cenvat Credit taken on Inputs	2008-2009	3.95	3.95	Pending with Commissioner Appeals



	Description	Assessment / Financial year	Demand (including penalty)	Amount not provided	Present status
	f) Excess Cenvat Credit taken on Inputs	2008-2009	2.75	2.75	Pending with commissioner Appeals
	g) Excess Cenvat Credit taken on Inputs	2008-2009	1.49	1.49	Pending with commissioner Appeals
	h) Cenvat Credit disallowed by Service Tax on Freight Outward	2008-2009	0.95	0.95	Pending with commissioner Appeals
3	a) Deduction claimed u/s 80HHC is disallowed petition has been filed before tribunal.	1998-1999	24.40	24.40	Miscellaneous petition has been filed before the tribunal
	b) Deduction claimed u/s 80HHC is disallowed petition has been filed before tribunal.	1999-2000	4.24	4.24	Miscellaneous petition has been filed before the tribunal
	c) Interest for deferred period u/s 20(2).	2000-2001	2.57	2.57	Miscellaneous petition has been filed before the tribunal
	d) Deduction claimed u/s 80HHC is disallowed	2003-2004	2.43	2.43	Miscellaneous petition has been filed before the tribunal

16. Leases**(a) Operating leases**

The company is obligated under cancellable operating leases for Jumbo Bag Ltd ,Athipedu factory which are renewable at the options of both the lessor and the lessee. The expense under the contacted lease amounts to Rs.74,79,498/- (previous year Rs.59,17,768 /-)

17. Disclosure Under As-15

Defined Contribution Plans:-

- (a) Contribution to Provident Fund : Rs.27,37,407/-
 (b) Contribution to Superannuation Fund : Rs. 6,32,147/-

Defined Benefit Plans:-

Gratuity:-

The Gratuity liability is covered by a Master Policy taken out with LIC of India under the Cash Accumulation scheme. The company during the year has done actuarial valuation as on 31.03.2010 and the estimated liability amounted to Rs.9.22 Lakhs which is debited to P & L Account.

Retirement Benefits:

Disclosure as required by Accounting Standard (AS) – 15(Revised 2005) "Employee Benefits" issued by the Institute of Chartered Accountants of India are given below:



a) The amounts recognized in the statement of Profit and Loss Account are as follows:

Sl No.	Particulars	2009-10 Gratuity	2008-09 Gratuity
(i)	Present value of obligation at the beginning of the year	33,09,716	29,24,588
	Interest Cost	2,64,777	2,33,967
	Current Service Cost	3,97,252	
	Benefits paid	(4,79,050)	3,56,182
	Actuarial (gain) / loss on obligation	(1,61,920)	5,51,863
	Present Value of obligation at the end of the year	33,30,775	33,09,716
(ii)	Fair value of planned assets at the beginning of the year	26,78,811	24,89,514
	Expected return on plan assets	2,08,558	2,31,482
	Contribution	NIL	7,14,699
	Benefits paid	(4,79,050)	7,56,884
	Actuarial gain / (loss) on plan assets	NIL	NIL
	Fair value of plan assets at the end of the year	24,08,319	26,78,817
(iii)	Amounts recognized in the balance sheet		
	Present Value of obligation as at the end of the year	33,30,775	33,09,716
	Fair Value of plan at the end of the year	24,08,319	26,78,811
	Funded status of the plan – (asset) / liability	(9,22,456)	(6,30,905)
	Net Assets / (liability) recognized in Balance Sheet	9,22,456	6,30,905
(iv)	Amounts recognized in the statement of Profit and Loss		
	Current Service Cost	397252	3,56,182
	Interest Cost	264777	2,33,967
	Expected return on plan assets	(208558)	(2,31,482)
	Net Actuarial (gain) / loss recognized in the year	(161920)	5,51,863
	Expenses recognized in the statement of profit and loss	2,91,551	9,10,530
(v)	Principal actuarial assumptions		
	Discount Rate	8%	8%
	Salary Escalation	5%	5%
	Expected return on plan assets	8%	9%

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

18. Segmental Reporting

The company is engaged in the manufacture of FIBC and in the purchase / sale of raw material used in the process of manufacture which in the opinion of the management relied upon by the auditors, constitute single business segment in terms of Accounting Standard 17 on segment reporting taking into account the Organization structure and nature of Risk / return.

**19. Disclosures under Accounting Standard -18 :-**

RELATED PARTIES with whom transactions have taken place during the year.

Sl No.	Name of the Party	Nature of Relationship	Nature of Transaction	Transactions during the Year Rs.	Closing Balance as on 31.03.2010 Cr / (Dr) (Rs)
1	Stanpacks (India) Limited	Associate Company	Job Work Charges Paid Purchase of goods Sale of Goods	3,16,539 4,84,007 4,96,955	(2,44,588)
2	JBL Saks (P) Ltd	Associate Company	Sale of Goods Job Work Charges Received	20,42,806 4,92,471	(65,238)
3	Gorantla Farm Pvt Ltd	Associate Company	Rent	1,52,400	
4	G F Impex Pvt Ltd	Associate Company	Rent	3,04,800	
5	G. Sudhakar	Key Management Personnel	Retainer Fees	5,40,000	40,500
6	G P N Gupta	Key Management Personnel	Rent Remuneration	1,02,000 23,14,636	
7	G S Anil kumar	Key Management Personnel	Salary	11,50,008	
8	G P Ramraj	Key Management Personnel	Salary	11,86,340	
9	G Sangeetha	Relative of Key Management Personnel	Rent	3,21,300	
10	Jumbo Bag LLC, USA	Foreign Subsidiary Company	Investment Sales	2,27,475 71,33,519	25,78,409



20. Contingent Liabilities

Contingent Liabilities not provided for	As at 31st March, 2010 (Rs. in Lakhs)	As at 31st March, 2009 (Rs. iIn Lakhs)
a. In respect of guarantees given by the Company	104.62	18.40
b. Letter of credit for purchase of raw-materials	203.88	306.23
c. Claims not acknowledged as debts	Nil	Nil
d. Estimated amount of contracts remaining to be executed on Capital accounts, not provided for	45.00	1,817.00
e. Disputed amount of Sales Tax	2.11	2.11
f. Disputed amount of Central Excise	50.69	50.69
g. Disputed interest on Income Tax	33.64	33.64

No provision has been made in the accounts in respect of disputed amount of sales tax as the company has contested the case and is hopeful of getting the verdict in its favor. Certain claims/show cause notices disputed have neither been considered as contingent liability nor acknowledged as claim, based on the opinion obtained, since the possibility of loss is remote.

21. Terms Loan (Including Medium Term and Corporate Loans) and working capital facilities from State Bank of India and State Bank of Hyderabad are secured by pari passu charges on the fixed assets and current assets of the company and also secured by personal guarantees of directors Sri.G.Sudhakar, Sri.G.P.N.Gupta, Sri.G.Radhakrishna, further secured by personal guarantees of Sri.G.V. Gopinath and Sri. G.V.Balaji.

1. Term Loan from Indian Overseas Bank Ltd is secured by first charge on the fixed assets financed by them and second charge on the existing fixed assets and also personal guarantees of directors Sri.G.Sudhakar, Sri.G.P.N.Gupta and Sri.G.Radhakrishna.

22. Loans and advances includes a sum of Rs.12 Lakhs misappropriated by an employee during 1998-1999 for which no provision has been made in the accounts for the probable loss since this can be reliable estimated only after the disposal of the civil suit and the consequent recovery proceedings, though the verdict in the criminal proceedings is in favour of the company.

23. Deferred Tax Liability accruing during the year aggregating to Rs10,94,140/- (Previous year Rs. 8,73,497/-) has been recognized in P&L A/c.

SI No.	PARTICULARS	Deferred tax liability(net) as at 01.04.2009 Rs.	Current year Charge 2009-10 Rs.	Deferred Tax Liability (Net) as at 31.03.2010 (Rs.)
1	NET DEFERRED TAX LIABILITY:	3,80,39,229		
	i) Difference between book and Tax Depreciation.		15,58,249	
	i) Pre paid expenses		65,945	
	Total Deferred Tax Liability (A)		16,24,193	
	LESS:			
	DEFERRED TAX ASSETS			
	i) Provision for Gratuity		3,13,543	
	(ii) Provision for Leave Encashment		2,16,511	
	Total Deferred Tax Asset (B)		5,30,053	
	NET DEFERRED TAX LIABILITY	3,80,39,229	10,94,140	3,91,33,369



24. Expenditure in Foreign Exchange

Expenditures in Foreign Currency	2009-10 In Rupees	2008-09 In Rupees
i) Travel	30,03,770	34,00,880
ii) Commission (paid for previous years liability)	6,81,972	Nil
iii) Others (Testing Charges)	6,10,794	7,32,858

25. Foreign Exchange Earnings

Earnings in Foreign Currency	2009-10 In Rupees	2008-09 In Rupees
i) FOB Value of Exports	19,94,39,337	27,88,29,363

26. Remuneration to Auditors :

Auditor's Remuneration	2009-10 In Rupees	2008-09 In Rupees
i) Statutory Audit Fee	1,50,000	1,50,000
ii) Tax Audit Fee	35,000	25,000
iii) Certification Fees & other services	31,664	21,750

27. Confirmation of Balances in respect of debtors, creditors are not obtained in few cases.

28. Capacity and Production during the year 2009 – 2010

Capacity & Production	2009-10	2008-09
Class of Goods : Intermediate Flexible Containers, Fabric, Components of Jumbo Bags, Liner & Small Bags		
Licensed Capacity (in MT)	8,870.000	8,870.000
Installed Capacity (in MT)	6,070.000	6,070.000
Actual Production (in MT)	4,558.161	5,352.974

The Installed capacity is technically evaluated as certified by the management and accepted by auditors (per year on a continuous shift basis)

	2009-10		2008-09	
	Qty. in MT	Value (Rs.)	Qty. in MT	Value (Rs.)
a. Poly Propylene Granules	4,136.950	23,94,81,541	5,161.700	31,89,49,320
b. Others	2,758.467	20,13,06,892	1,955.182	16,59,27,370
ii) Consumption of imported & indigenous Raw-Material , stores and spares parts and the percentage of each to the consumption:-	% of Consumption	Total Value	% of Consumption	Total Value
a. Raw-Materials				
Imported	40.45	17,83,30,997	23.43	11,36,75,116
Indigenous	59.55	26,24,57,436	76.57	37,12,01,574
b. Stores & Spares				
Imported	4.15	439,055	12.40	10,50,021
Indigenous	95.85	1,01,29,111	84.60	74,17,894



	2009-10		2008-09	
	Qty in MT	Value (Rs.)	Qty in MT	Value (Rs.)
P.P.Bags , Fabric , Components of Jumbo Bags & Small Bags	4,499.95	48,21,07,897	5,122.750	61,49,26,151
	Closing Stock as on 31.03.2010		Closing Stock as on 31.03.2009	
	Qty in MT	Value (Rs.)	Qty in MT	Value (Rs.)
Finished Goods (Inclusive of Excise Duty)	97.91	1,41,58,974	166.579	1,82,26,611

The relevant information regarding Turnover, Production, Opening Stock and Closing Stock are given only in aggregate and no detailed breakup thereof is given as the items are too numerous to be conveniently grouped.

29. Jumbo Bag LLC

Jumbo bag Ltd is currently a strategic investor in Jumbo Bag LLC, as of now, Joint Ventures are being explored and a clear picture of the holding structure is likely to emerge only during the current year, when the ultimate holding structure is decided upon by the respected parties. Also presently the size of business of Jumbo Bag LLC is still immaterial and insignificant to that of the parent and therefore the accounts are not presented. However a statement pursuant to Section 212 of the Companies Act, 1956 forms part of this annual report.

30. All amounts have been rounded off to the nearest rupee.

31. Previous year's figures have been regrouped/ recast where ever necessary to conform to this year's classification.

As per our report of even dates

For and on behalf of the Board

For **M.SRINIVASAN & ASSOCIATES**

Chartered Accountants

FRN : 004050S

R.MOHAN

Partner – Membership No.22460

G.P.N.GUPTA

Managing Director

G.S.ANIL KUMAR

Director – Finance

Place: Chennai

Date : 31.05.2010

JAYANTH VISWANATHAN

Company Secretary



CASH FLOW STATEMENT

Cash Flow Statement for the Period 01.04.2009 to 31.03.2010

(Pursuant to clause 32 of the Listing Agreement)

	2009-2010		2008-2009	
	Rs.	Rs.	Rs.	Rs.
A Cash Flow from Operating Activities :				
Net Profit before Tax and Extraordinary items		10,614,410		21,471,230
Adjustments for :				
Prior period adjustments - Profit / (Loss)	154,662		135,709	
Depreciation	18,408,959		17,073,653	
Miscellaneous Expenditure Written off	500,860		500,845	
(Profit) / Loss on sale of asset	1,837,831	20,902,312		17,710,207
(Profit) / Loss on Otherthan Business Income				
Operating profit before working capital		31,516,722		39,181,437
(Increase) / Decrease in sundry debtors	(20,761,676)		40,243,732	
(Increase) / Decrease in inventory	(16,462,804)		(35,625,687)	
(Increase) / Decrease in other current assets	(4,354,779)		(20,394,174)	
Increase / (Decrease) in sundry creditors	(4,717,385)		(796,463)	
Increase / (Decrease) in other liabilities & expenses	4,122,773	(42,164,871)	5,760,461	(10,812,131)
Cash generated from operations		(10,648,149)		28,369,306
Income taxes paid (Net of refunds)		(3,607,838)		(6,246,971)
Net Cash from Operating activities		(14,269,027)		22,122,335
B Cash Flow from Investing Activities :				
Purchase of fixed assets	(17,366,921)		(19,602,635)	
Proceeds from sale of fixed assets	-		-	
Acquisition of Companies	-		-	
Sale of investments	-		-	
Technical Know-how fees	-		2,138,214	
Interest received	-		-	
Dividend received	-		-	
		17,366,921)		(17,464,421)
Net cash used in Investing Activities		(17,366,921)		(17,464,421)
C Cash Flow from Financing Activities :				
Proceeds from issuance of Share Capital	16,580,000		-	
Proceeds / (Repayment) of Long Term borrowings	(20,857,803)		(17,145,388)	
Borrowings for working capital purposes	45,436,123		22,480,082	
Finance / Lease Liabilities	10,619,975)		(156,421)	
Investment in Subsidiaries	(227,475)			
Dividend paid (Including Tax on dividend)	-		(5,597,300)	
		30,310,870		(419,027)
Net cash used in Financing Activities		30,310,870		(419,027)
D Net Increase in Cash and Cash Equivalents (A+B+C)		(1,312,039)		4,238,888
Cash and Cash equivalents as at 01.04.2009		9,518,119		5,279,231
Cash and Cash equivalents as at 31.03.2010		8,206,080		9,518,119
E Net (Increase) / Decrease in Cash and Cash Equivalents		1,312,039		(4,238,888)

Significant accounting policies

Notes to the accounts

The schedules referred to above form an integral part of these financial statements

As per our report of even dates

For and on behalf of the Board

For **M.SRINIVASAN & ASSOCIATES**

Chartered Accountants

FRN : 004050S

R.MOHAN

Partner – Membership No.22460

Place : Chennai

Date : 31.05.2010

G.P.N.GUPTA

Managing Director

G.S.ANIL KUMAR

Director – Finance

JAYANTH VISWANATHAN

Company Secretary



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956 RELATING TO SUBSIDIARY	
Name of the Subsidiary	Jumbo Bag LLC
Date from which it became Subsidiary Company	07.03.2007
Financial year of the Subsidiary ended	31.12.2009
Shares of the Subsidiary held by Jumbo Bag Ltd	-
Profit/(loss) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.6)	Rs. 1. 60 lakhs
Profit/(loss) so far it concerns the holding company and dealt with in books of account of the holding company	NIL
Profit/(loss) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col.8)	NIL
Profit/(loss) so far it concerns the holding company and dealt with in books of account of the holding company	NIL
Changes in the interest of Jumbo Bag Ltd in Jumbo Bag LLC between the end of the financial year of the Subsidiary and the Financial of the Company	As per Note 1
Material changes between the end of the Financial year of Jumbo Bag LLC, the subsidiary and Financial year of Jumbo Bag Ltd, the Parent	As per Note 2
Note 1	Jumbo Bag Ltd has invested USD 5000 in Jumbo Bag LLC as contribution towards equity participation on 10.03.2010
Note 2	Jumbo Bag LLC has made a turnover of Rs.38,82,451 during the period of January 01, 2010 to March 31, 2010. The company has also made a profit of Rs.6,11,774 during the same period.
The company has not considered the above said profits into its accounts.	
The accounts of the subsidiary company has not been given as the said subsidiary is the considered to be insignificant.	

For and on behalf of the Board

G.P.N.GUPTA
Managing Director

G.S.ANIL KUMAR
Director – Finance

JAYANTH VISWANATHAN
Company Secretary

Place: Chennai
Date : 31.05.2010

**Balance Sheet Abstract and Company's General Business Profile as per Part IV of Schedule VI to the Companies Act, 1956.****I) Registration Details**

Registration No State Code
 Balance Sheet Date
 Date Month Year

II) Capital Raised During The Year (Amount In Rupees Thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement

III) Position Of Mobilisation And Deployment Of Funds (Amount In Rupees Thousands)

Total Liabilities Total Assets

Source Of Funds

Paid - Up Capital Reserves And Surplus
 Deferred Tax Liability
 Secured Loan Unsecured Loan

Application Of Funds

Net Fixed Assets Investments
 Net Current Assets Miscellaneous Expenditure
 Accumulated Loss

IV) Performance Of The Company (Amount In Rupees Thousands)

Turnover Total Expenditure
 Profit Before Tax Profit After Tax
 Earning Per Share In Rupees Dividend Rate %

V) Generic Names Of Three Principal Products / Services Of Company (As Per Monetary Terms)

Item Code No (Itc Code)
 Product Description

As per our report of even dates

For and on behalf of the Board

For **M.SRINIVASAN & ASSOCIATES**

Chartered Accountants

FRN : 004050S

R.MOHAN

Partner – Membership No.22460

G.P.N.GUPTA

Managing Director

G.S.ANIL KUMAR

Director – Finance

Place: Chennai

Date : 31.05.2010

JAYANTH VISWANATHAN

Company Secretary



JUMBO BAG LTD.

Regd.Office: New No. 4, (Old No. 47) Nowroji Road, Chetpet, Chennai- 600031

ATTENDANCE SLIP

To be handed over at the Meeting Hall

Regd.Folio No..... D.P.Id*.....

No.of Shares held.....Clint ID*.....

Sri/Mrs./Miss.....

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the **20th ANNUAL GENERAL MEETING** of the Company held at Sri Thyaga Brahma Gana Sabha, Vani Mahal, No. 103, G.N.Chetty Road, T.Nagar, Chennai – 600 017 at 10.30 a.m. On Tuesday, the 31st August, 2010.

.....
Member's/Proxy's Name (IN BLOCK LETTERS)

.....
Member's/Proxy's Signature



JUMBO BAG LTD

Regd.Office: New No. 4, (Old No. 47) Nowroji Road, Chetpet, Chennai- 600031

PROXY FORM

Regd.Folio No.....D.P.Id*.....

No.of shares heldClient Id*.....

I/We.....son of/wife of/ Daughter of
being a member/members of Jumbo Bag Limited hereby appoint Sri/Smt..... son of/wife of/
Daughter of..... or failing him son of/wife of/ Daughter of
as my/our proxy to vote for me/us on my/our behalf at the **20th ANNUAL GENERAL MEETING** of the
Company to be held on Tuesday the 31st August , 2010 at 10.30 A.M. or any adjournment thereof.

Signed this day of 2010.

Affix
Rs.1
Revenue
Stamp

Notes : Proxies, inorder to be effective must be received by the Company not less than 48 Hours before the time for holding the meeting.

Please be informed that no gifts or Compliments will be given at the time of Annual General Meeting.

* Applicable only for investors holding shares in electronic form.

