



Jumbo Bag Ltd.

ISO 9001 & 14001

ANNUAL REPORT 2010 - 2011



WE SHARE OUR JOY

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. JAYANTH VISWANATHAN

SOLICITOR

Sri R.Sundarrajan, Advocate, Chennai.

STATUTORY AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

PLANT LOCATION

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

REGISTRARS AND SHARE TRANSFER AGENT

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

LISTING:

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

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



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MANAGING DIRECTOR'S LETTER TO SHAREHOLDERS

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

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

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

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

Yours truly,

G.P.N.Gupta
Managing Director



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st ANNUAL GENERAL MEETING of the members of the Company will be held at Sri Thyaga Brahma Gana Sabha, Sri P.Obul Reddy Hall, Vani Mahal, No. 103, G.N.Chetty Road, T.Nagar, Chennai – 600 017 at 10.30 a.m. on Tuesday, the 02nd August, 2011 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2011 and the Profit & Loss account for the year ended on that date and the report of the Director's and Auditor's thereon.
2. To appoint a Director in the place of Sri Gaddam Kumar Reddy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Sri G.Radhakrishna, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. The retiring Auditors Messrs. M. Srinivasan & Associates, Chartered Accountants are eligible for re-appointment. In this connection, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Messrs. M.Srinivasan & Associates, Chartered Accountants, (Firm Registration No. 004050S) be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration determined by the Board of Directors."

SPECIAL BUSINESS

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

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

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

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

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

"RESOLVED THAT pursuant to provisions of Section 81 (1A) and all other applicable provisions if any, of the Companies Act, 1956 (The Act) (Including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association and Memorandum of Association of the Company, the Listing Agreement entered into by the company with various stock exchanges, regulations of SEBI (Issue of Capital & Disclosure Requirements) Regulations 2010 and any other guidelines, regulations and clarifications issued by SEBI and any other statutory/regulatory authorities, and subject to all such approvals, permissions, consents and

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

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

"RESOLVED FURTHER THAT the relevant date for the preferential issue, as per regulation 72 of the SEBI (ICDR) Regulations 2010, as amended upto date, for the determination of applicable price for the issue of the above mentioned Equity Shares is 03rd July 2011."

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

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

Registered Office:

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

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

**JAYANTH VISWANATHAN
COMPANY SECRETARY**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME OF THE COMMENCEMENT OF THE MEETING.**
2. Explanatory Statement as per the provisions of Section 173(2) of the Companies Act, 1956 in respect of the items of the Special Business as set out above is annexed.
3. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of the Annual Report. No additional copies will be provided at the venue.



4. The Ministry of Corporate Affairs has taken a Green Initiative, which permits the company to send Annual Report, Notice via E-mail to all the shareholders. Your Company has for the financial year ended 31.03.2011 sent the notice and the Annual Report to those Shareholders whose E-mail ID was available. It is requested that all the shareholders update/ Furnish their E-Mail ID with their respective DP's which will enable the company to implement the Green Initiative and make such correspondences in future.
5. Members are requested to intimate to the Company queries if any regarding the accounts/notice at least seven days before the meeting to enable the management to keep the required information readily available at the meeting.
6. The Register of Members of the Company will remain closed from 27th July 2011 to 2nd August 2011 (both days inclusive).
7. All documents referred to in the accompanying Notice are open for inspection at the registered office of the Company during working hours between 11.00 a.m. to 1.00 p.m. except on holidays.
8. Shareholders are requested to check, whether they have en-cashed dividend warrants for earlier years. If the dividend warrants are lost or have become time-barred, please apply for cheque/ demand draft in lieu of those dividend warrants before the last dates indicated below.

Shareholders are also requested to note that Dividend Warrants are valid for three months from the date of issue and the Banks are not allowing REVALIDATION. The Company has to incur bank charges for issue of demand draft after the date of expiry of the dividend warrants.

Dividend for the year ended	Rate of Dividend (%)	Dividend warrant dated	Date on which Unpaid amount is required to be paid to the Central Government	Shareholders should apply latest by
31.03.2004	8.00	15.10.2004	01.11.2011	04.10.2011*
31.03.2005	10.00	01.10.2005	17.10.2012	29.09.2012
31.03.2006	10.00	05.10.2006	22.10.2013	08.10.2013
31.03.2007	10.00	10.10.2007	28.10.2014	15.10.2014
31.03.2008	5.00	08.10.2008	27.10.2015	13.10.2015
31.03.2009	6.00	12.10.2009	27.10.2016	17.10.2016

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

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

9. RESUME OF THE DIRECTORS BEING RE-APPOINTED

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

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

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

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

Place : Chennai
Date : 28.05.2011

**JAYANTH VISWANATHAN
COMPANY SECRETARY**

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

Resolution 5:

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

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

Resolution 6:

The information as required under clause 73 of the SEBI (Issue of Capital and Disclosure requirements) regulations 2010 for preferential issue is as under:

A. Objects of the preferential issue –

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



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

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

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

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

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

As required under SEBI (ICDR) regulations 2010, the allotment of the aforesaid is proposed to be made within 15 (Fifteen) days from the date of passing of this resolution or within 15 (fifteen) days of receipt of all requisite statutory approvals, whichever is later.

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

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

F. ISSUE PRICE -

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

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

G. AUDITORS CERTIFICATE:

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

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

By Order of the Board
For Jumbo Bag Limited

JAYANTH VISWANATHAN
COMPANY SECRETARY

Place : Chennai
Date : 28.05.2011

D I R E C T O R ' S R E P O R T

To the Shareholder's

The Directors are pleased to present before the share holders the 21st Annual Report and Audited Financials for the year ended 31st March 2011.

Financial Health:

(Rs in Lakhs)

PARTICULARS	2010-2011	2009-2010
Sales and other Income	10,401	6,897
Profit before Interest, Depreciation & Taxes	667	575
Interest	389	280
Depreciation	188	184
Profit Before Tax	90	106
Current Tax	16	36
Deferred Tax	13	11
Profit After Tax	61	59
Add/Less Prior Period adjustments	3	2
Profit of earlier years	366	306
Profit / (Loss)	431	366

Business performance

The consolidated revenue of Jumbo Bag Limited is Rs.104 Crores for the financial year ended 31st March 2011 as compared to the revenue of Rs 69 crores for previous year. The consolidated Net Profit for the fiscal year ended 31st March 2011 stood at Rs 64 lacs as against the previous year's consolidated Net Profit of Rs 61 lacs

Dividend:

Considering the low profitability of the company during the year gone by, the Board is not recommending any dividend for the year 2010-11.

Management discussion and analysis:

Global Economy Outlook

World growth is projected at about 4.25 percent in 2011.

(Source: IMF)

There is underlying uncertainty in the global economy. US has still not recovered from the recession and there are repeated problems about crisis in some European countries. China is also undergoing a metamorphosis of sorts with high inflation and currency adjustment.

INDIAN ECONOMY:

The Indian economy, on the back of improved agricultural output, strong private consumption, robust investment, and a pick-up in exports, has rebounded strongly with a GDP growth of 8.6 per cent in 2010-11. However, inflation has emerged as a major concern. While the GDP has shown a slight increase during the year 2010-11 as compared to the year 2009-10, the over all expectations of attaining the double digit GDP growth is still eluding India. The Ministry of Finance indicates that a growth of 9% is expected during the year 2011-12. Taking into consideration the continued tightening of monetary policy and further



escalation in global oil prices, it is expected that India will be able to achieve a GDP growth rate of 8 to 8.5% during the financial year 2011-12. The Indian manufacturing industry had registered an overall growth of only 7.8% during April-February 2010-11 as against 10% seen during April-February 2009-10. The increase in inflation from 8.31% in February 2011 to 8.98% in March 2011, will affect the performance of most companies. The high interest rate regime is a compromise for high growth and not enough is being done to control inflation through supply side interventions. India needs to go towards a more balanced interest rate regime aligned to sustain the pace of growth.

OVERALL INDUSTRY OUTLOOK AND FIBC MARKET OUTLOOK:

The \$500 billion global packaging industry is multi-technology, multi product and multi process industry. Your company is focused on the \$5 Billion FIBC segment. The company has a market share of about 7% of domestic demand (Source: Crisil). The FIBC industry is set to grow at about 5% globally and 13-15% per annum domestically over the next five years basically on account of growing demand for FIBC in end-use industry and growing acceptance of FIBC over other forms of packaging.

Demand from end-use industries to grow significantly

60% of the domestic FIBC demand is due to the petrochemical and mineral industries. The petrochemical industry, which accounts for 40% of the company's sales, is expected to be one of the fastest growing end-use segments for FIBCs.

FIBC is being preferred to other forms of packaging

Packing materials made from textiles include wrapping fabric, polyolefin woven sacks, hessian (commonly known as jute) bags and FIBCs. Industries that predominantly use packaging textiles are increasingly switching to FIBC as it offers benefits over the hessian bags, such as lower cost, better protection of contents, ease in procurement of the required polymer grades and more convenient handling. Further, FIBCs are finding newer applications such as UN bags (for hazardous goods) and clean room bags (used for food products such as milk powder, starch, spices and bulk drugs). These are a small but growing proportion of the total domestic FIBC consumption.

REVIEW OF OPERATIONS:

Though your company's top line performance had increased by 51% from Rs. 69 Crores to Rs. 104 Crores, it did not result in increase in the bottom line due to high manufacturing cost and volatile raw material prices. Although the order positions have never been a problem, the major concern for the company remains shortage of labour and power.

Segment wise performance:

Manufacturing

The manufacturing industry in India has had a weak year and the situation is the same with your company also. The major factors which hampered the performance of the company are: fluctuating raw material & fuel prices, lack of power, non availability of skilled and semi skilled workers, and underutilization of capacity.

Trading

We had in the previous annual report reported that the company had been appointed by Indian Oil Corporation Limited (IOCL) as one of its Del – Credere Associate cum consignment stockist for Tamil Nadu, Pondicherry and Kerala. IOCL had in the year 2009-10 started manufacturing polymer raw materials such as polypropylene and polyethylene among others. The delay in grade availability and unanticipated production shutdowns did not allow volume growth to the anticipated extent. However your company has earned a commission income of Rs. 15 lacs from trading activity. The company is expecting to continuously enhance its volume as IOCL scales up its capacity and makes more grades available on continuous basis.

SWOT ANALYSIS:**STRENGTHS AND OPPORTUNITIES**

The major strengths of the Company are that it has a diverse market with customers in over 30 countries and the value added bags which are made available as per the customer needs. The increasing demand for the FIBC bags due to industries such as chemicals, fertilizers, food products, grains, pharmaceuticals among others switching over to FIBC bags gives your company the confidence of bouncing back in the coming years. The company's exports have increased from Rs. 20 Crores to Rs. 33.5 Crores in the current year - an increase of around 60% compared to the previous year. European and United States of America are the major consumers of FIBC in the world. They were also major manufacturers in the world, but due to high cost of man-power, European countries had slowly moved towards Eastern Europe and US towards Mexico to sustain their costs, even there the cost have gone up, due to which there has been a continuing shift to South Asian Countries. Global demand is seeing a rapid growth and the upward trend is likely to continue for a years to come. FIBC manufacturing companies in the South Asian Countries are emerging as major players exporting to the global markets, since FIBC is a highly labour intensive product. These trends augur well for the growth in the FIBC industry.

WEAKNESSES AND THREATS

Fluctuating prices of raw materials – The main raw material used in the manufacture of FIBC is polypropylene, which is a crude derivative, and subject to price fluctuations.

Under utilization of available capacity- Your Company is having huge order book, it is however not able to utilize the capacity to the fullest due to lack of power and shortage in man power.

Labour shortage - FIBC manufacturing is a labour-intensive activity.

Non-availability of power – Chennai and other parts of Tamil Nadu are reeling under severe power cuts. Power cuts last for three hours daily during the peak hours.

FINANCIAL ANALYSIS:

The interest and financial charges have gone up by Rs. 1.2 crores, partially due to increase in rate of interest and partially due to reduction in TUF benefits for the year 2010-11. The bank charges have gone up substantially from Rs. 49.79 lakhs to Rs. 86.01 lakhs, primarily due to bank guarantee and sanction fee for IOCL business.

The performance for the financial year 2010-11 was adversely affected largely due to

1. Power situation in Tamil Nadu.
2. Shortage of labour
3. High and volatile raw material prices

Company has been purchasing power from private parties at rates higher than the grid power. Though this is cheaper than diesel cost it is still hurting company's bottom line. The labour shortage is a problem across the country and company is initiating several HR measures to retain and attract people. The company is trying to hedge the raw material costs to the extent possible but sudden fluctuation in prices makes it difficult to pass on the entire increase to customers.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company believes in continuous improvement and constantly strives to optimize the control and monitoring systems. The Control and Monitoring Systems in place ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and all transactions are authorized, recorded and reported correctly. Periodic review of the Control Systems by the Internal auditors M/s. A.Raghunathan & Co., Chartered Accountants, Chennai ensures their adequacy and effectiveness. All short comings identified by the internal audit team are placed before the Audit Committee and the Board and prompt corrective action is taken.



MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

Relations between the Management and the Labor 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 2011 was Rs.61,10,000/-. 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.Radhakrishna and Dr. Gaddam Kumar Reddy, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Sri. G.Sudhakar, Vice Chairman and Chief Mentor tenure as a chief mentor for three years came to an end during the year on April 01, 2011. The Board in its meeting held on 30.03.2011 approved the appointment of Sri. G.Sudhakar as a vice chairman and chief mentor for a monthly retainer fee of Rs.45,000 or such amount as may be amended by the Board within its powers without going to the Central Government for approval. The Board approved his appointment and places this decision before the Shareholders for their consent.

SUBSIDIARY

The Company had informed in its previous year that it was a strategic investor in Jumbo Bag LLC and that it was looking for a joint venture partner. It was also informed earlier that a clear status of the actual structure of the holding of Jumbo Bag LLC would be decided in the year 2010-11 after investment made by a joint venture partner. M/s. Balaji Trading Enterprises Private Limited invested an additional capital of USD 7500 in Jumbo Bag LLC during the year. Jumbo Bag LLC is therefore not a subsidiary of the company and is thus not required to provide consolidated statement of accounts. Balaji Trading Enterprises Private Limited with its rich experience in trading is expected to bring much synergy to the company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors hereby state:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the directors had 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 profit or loss of the company for the year under review.
- iii. That the directors have 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 for preventing and detecting fraud and other irregularities;
- iv. That the directors prepared the annual 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 welfare of the community by conducting health camps, supporting vocational training centers, by continuously lending support to Gorantla Ramalingaiah Vivekananda School etc.

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.

GREEN INITIATIVES IN CORPORATE GOVERNANCE:

Ministry of Corporate Affairs has taken another step and is granting the Companies the option to send electronic copies of Annual Report, Notices to the Shareholders at their E-mail ID's. The Company has arranged to forward a soft copy to all the Shareholders who have furnished their E-mail ID's to their respective DP's.

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 employees, customers and dealers for their continued patronage during the year.

For and on behalf of the Board

Place : Chennai
Date : 28.05.2011

K.J.M.Shetty
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****CONSERVATION OF ENERGY**

Jumbo Bag Limited is always looking for an opportunity to save the energy and every available opportunity is utilized:

1. Two nos. three star (BEE) rated energy efficient Air-conditioners are installed in Officer's cabin.
2. A.C Variable Introduced for Cheese winder motors to save energy upto a maximum of 1 unit/hour.
3. A.C Variable Drive introduced for Warming machine to save energy at the maximum of 2 unit/hour.

S. No	Particulars	2010-11	2009-10
A	Power and Fuel Consumption:		
1	Electricity		
	(a) Purchased		
	Unit	45,51,248	41,41,086
	Total amount	2,48,18,350	2,01,82,541
	Rate/unit	5.45	4.87
	(b) Own generation:		
	(i) Through diesel generator		
	Unit	6,03,523	12,44,454
	Unit per liter of Diesel oil	2.82	3.19
	Cost/unit	13.73	11.91
	Diesel (in liters)	2,13,800	3,89,763
	(c) Out Side Power Purchased		
	Unit	7,82,176	Nil
	Rate/Unit	7.55	Nil
	Total Amount	59,09,139	Nil

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

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

S. No	Particulars	2010-11	2009-10
A	Expenditure on R & D:	(Rs in lakhs)	
B	Capital Expenditure	Nil	Nil
C	Revenue	Nil	Nil
	Total	Nil	Nil
D	Total R&D expenditure as a percentage of total turnover	Nil	Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO:

S. No	Particulars	2010-11	2009-2010
A	Foreign Exchange outgo:	(Rs in lakhs)	
B	C.I.F. Value of imports	1931.18	1941.08
C	Travel	32.53	30.04
	Commission (paid for Previous years liability)	13.52	6.82
D	Testing Charges	0.84	6.11
	Total	1974.71	1943.70
	Foreign Exchange Earned:		
	F.O.B. Value of Exports	3182.45	1994.39

For and on behalf of the Board

Place : Chennai
Date : 28.05.2011

K.J.M. SHETTY
Chairman

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-11
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1. COMPANY'S PHILOSOPHY ON CORPORATE CODE OF GOVERNANCE:

Corporate Governance has been given a distinguished treatment at your Company. It is that link which forms an interface between the Company and every shareholder / stakeholder. Corporate Governance portrays a clear picture about the Company's working and the intricacies related thereon. SEBI has strengthened its pursuit for a better corporate world by introducing the insider trading regulations. This has in turn strengthened the Company's foundation by helping enhance the relation of the Company and the Shareholders. The Company has adopted the code of conduct for insider trading, creating a window and prohibiting trading during the window period leading to the laying down of strong foundations of Corporate Governance.

The Company always strives hard to achieve clear internal controls and better risk management, internal and external communications and high standard of safety health and environment management. Service quality and accounting fidelity are also keenly taken care of by the Company. Your company has also been selected by National Stock Exchange to trade (from the previous year) the Company's shares in the National Stock Exchange platform proving good 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 as on 31st March 2011:

The total members composing the Board are ten. Both executive and non-executive members are present in the Board. Staying in congruence with the listing agreement five out of the ten Directors are independent, which is ranging upto 50%.

Sri. N.D. Prabhu chaired the Board meetings till the 31st August 2010 and on the same day Sri. K.J.M Shetty was elected as the Chairman of the Board from the meetings thereon. Sri. G.P.N. Gupta is the Managing Director of the Company. No Director is a member of more than ten committees nor is any Director a Chairman of more than five Companies.

Board Meetings:

During the financial year, the Board met 6 times on the following dates:

31st May 2010, 27th July 2010, 31st August 2010, 9th November 2010, 3rd February 2011 and 30th March 2011. Not more than 95 days lapsed between two meetings, which effectively implies that all the meetings were conducted with not more than four months between each meeting.

Attendance of each Director at the Board Meetings and Last AGM and details of number of other Directorship as on 31st March 2011:



Name of the Directors	Category of Directorship	No of shares held as on 31 st March 2011	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	3	Yes	5	2
Sri. K.J.M.Shetty, I.A.S.(Retd.)	Chairman (NEI) (W.E.F. 31.08.2010)	Nil	5	Yes	6	3
Sri. G.Sudhakar	Vice Chairman(NE)	47600	6	Yes	2	Nil
Sri. G.P.N.Gupta	Managing Director (E)	115150	5	No	1	Nil
Sri. B.Surender***	Director (NEI)	Nil	4	Yes	6	3
Sri. G.Radhakrishna	Director (NE)	95750	6	Yes	3	Nil
Sri. M.Rama Rao	Director (NEI)	Nil	4	Yes	1	Nil
Dr. Gaddam Kumar Reddy	Director (NEI)	75230	Nil	No	Nil	Nil
Sri. G.Krishnamurthy	Director (NEI)	Nil	5	Yes	Nil	Nil
Sri. M.V. Ananthakrishnan	Director (NEI)	Nil	6	Yes	Nil	Nil
Sri. G.S.Anilkumar	Director-Finance (E)	26000	6	Yes	Nil	Nil
Sri. G.P.Ramraj	Director-Marketing (E)	32500	4	Yes	1	Nil

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

* Includes Private Limited Companies

** Sri N.D.Prabhu resigned with effect from 01.09.2010

*** Sri B.Surender resigned with effect from 28.01.2011

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

3. INSIDER TRADING CODE OF CONDUCT

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 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 (from the previous year) in the National Stock Exchange platform. National Stock Exchange as a new initiative has entered into a Memorandum of Understanding with Madras Stock Exchange where companies with good corporate governance are selected and 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 mentioned in the clause 49 (II) D of the listing agreement.

During the financial year, the Committee met 4 times on the following dates:

31st May 2010, 26th July 2010, 8th November 2010 and 3rd February 2011.

Composition of the Audit 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	2
	Sri K.J.M. Shetty	4	2
Members	Sri M.V.Ananthakrishna	4	3
	Sri B. Surender	4	1
	Sri G.Sudhakar*	4	1
	Sri Krishnamurthy G	4	3

* The audit Committee was reconstituted during the Board Meeting held on 31.05.2010 and Sri. G. Sudhakar and Sri. B.Surender didn't form part of the newly constituted Audit Committee from thereon. Sri. M.V.Ananthakrishna and Sri. G.Krishnamurthy were appointed as members of the Audit Committee on the Board Meeting held on 31.05.2010 and attended the Audit Committee meeting conducted after 31.05.2010. Sri. N. D. Prabhu resigned with effect from 01st September 2010 and Sri. K.J.M Shetty was elected as the chairman of the Audit Committee with effect from 01st September 2010.

The present Audit Committee's Chairman is Sri. K.J.M. Shetty and the members are Sri. Krishnamurthy G, Sri. M.V.Ananthakrishna. 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 Selection & Remuneration Committee as on date, Meetings held and attendance during the year:

The meeting was conducted once on 31.05.2010

Particulars	Name of the Chairman/Member	No of Meetings held	No of Meetings attended
Chairman	Sri K.J.M. Shetty	1	-
Member	Sri B. Surender	1	1
Member *	Sri N.D.Prabhu	1	1
Member	Sri Krishnamurthy Grandhy	1	1

Sri. K.J.M.Shetty being absent, the meeting was chaired by Sri. N.D.Prabhu. Sri. N.D. Prabhu does not form part of the committee since his retirement from Directorship with effect from 1st November 2010.

**REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2010-2011:****a. Sri G.P.N.Gupta, Managing Director**

Fixed Components	2010-2011 (Amount in Rs.)	2009-2010 (Amount in Rs.)
Salary/Allowances	21,19,992	21,19,992
Perquisites	22,107	14,644
Retirement Benefits	1,80,000	1,80,000
Variable Components-commission	Nil	Nil
Total	23,22,099	23,14,636

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

Fixed Components	2010-2011 (Amount in Rs.)	2009-2010 (Amount in Rs.)
Salary/Allowances	13,16,672	10,60,008
Perquisites	Nil	-
Retirement Benefits	1,12,500	90,000
Variable Components-commission	Nil	Nil
Total	14,29,172	11,50,008

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

Fixed Components	2010-2011 (Amount in Rs.)	2009-2010 (Amount in Rs.)
Salary/Allowances	13,16,672	10,60,008
Perquisites	27,952	36,332
Retirement Benefits	1,12,500	90,000
Variable Components-commission	Nil	Nil
Total	14,57,124	11,86,340

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

Fixed Components	2010-2011 (Amount in Rs.)	2009-2010 (Amount in Rs.)
Salary/Allowances	Nil	Nil
Perquisites	Nil	Nil
Retirement Benefits	Nil	Nil
Variable Components-commission	Nil	Nil
Retainer fees	5,40,000	5,40,000
Total	5,40,000	5,40,000

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	Amount (Rs.)
Sri N.D.Prabhu	60,000
Sri G.Radhakrishna	60,000
Sri B.Surender	60,000
Sri K.J.M.Shetty	70,000
Sri M.Rama Rao	40,000
Sri G.Krishna Murthy	90,000
Sri Gaddam Kumar Reddy	-
Sri G.Sudhakar	2,40,000
Sri M.V.Ananthakrishna	90,000
Total	7,10,000

7. 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.

8. COMPLIANCE OFFICER:

Mr. Jayanth Viswanathan, Company Secretary is the Compliance Officer and his e-mail address is csjbl@blissgroup.com. The Company received two complaints during the year, which was promptly disposed.

9. GENERAL SHAREHOLDERS INFORMATION:

AGM Date & Time and venue : 02nd August 2011, 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 : 27th July, 2011 to 2nd August, 2011

Listing on Stock Exchanges : Bombay Stock Exchange Ltd
 Madras Stock Exchange Ltd
 National Stock Exchange of India Ltd.,*

Stock Code : 516078

ISIN : INE699D01015

Registrar and Transfer Agents : M/s. Cameo Corporate Services Ltd.,
 Subramaniam Building, No.1, Club House Road,
 Mount Road, Chennai - 600 002



Manufacturing Division : **Unit I**
 No.75, Thatchur Kootu Road,
 Panjetty Village, Ponneri Taluk,
 Tiruvallur District-601 204

Unit II
 No.106, G.N.T.Road, Athipedu Village,
 Alinjivakkam P.O., Ponneri Taluk,
 Tiruvallur District-600 067

Address for correspondence : "S.K.Enclave" No.4, (Old No.47),
 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):

Month	High (Rs.)	Low (Rs.)
April 2010	46.40	30.75
May 2010	44.90	32.50
June 2010	44.55	33.25
July 2010	62.50	46.75
August 2010	59.95	43.55
Sep 2010	56.70	44.90
Oct 2010	62.80	45.50
Nov 2010	78.20	46.05
Dec 2010	52.90	32.10
Jan 2011	46.95	31.95
Feb 2011	32.00	21.60
Mar 2011	28.85	21.20
April 2011	30.90	22.00

SHAREHOLDING PATTERN(As on 30th April 2011)

Particulars	Percentage
Public	48.20
Promoters	40.49
Body Corporate	10.74
Institutions	0.20
Others	0.37
Total	100

DISTRIBUTION OF SHAREHOLDING (As on 30th April 2011):

No. of shareholders	Folio		Shares	
	Number	%	Number	%
Upto-500	7022	87.07	1230205	15.43
501-1000	502	6.23	419581	5.26
1001-2000	236	2.93	372490	4.67
2001-3000	77	0.96	201435	2.53
3001-4000	34	0.42	120010	1.5
4001-5000	43	0.53	200741	2.52
5001-10000	64	0.79	467303	5.86
10001-20000	35	0.43	485633	6.09
20001-50000	39	0.48	1193469	14.97
50001-100000	9	0.11	667161	8.37
100001 & above	4	0.05	2615672	32.8
Total	8065	100	7973700	100

The Company has entered into the necessary agreements with NSDL and CDSL for dematerialization of the shares held by investors. Shares held in NSDL and CDSL constitute 69% and physical form constitute 31%. 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
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
2009-10 31.08.2010 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

POSTAL BALLOT:

The Company had during the year sought the approval of the shareholders for amending the main object clause of the Memorandum of Association of the company by including new object clauses vide point 7 to 10. The notice, vide section 192A of the Companies Act, 1956, dated 31st May 2010 along with postal ballot form and self addressed prepaid postage envelope were sent to the shareholders where the special resolutions along with explanatory statement were given. M/s. Lakshmmi Subramanian & Associates were appointed as the scrutinizers for conducting the postal ballot in a fair and transparent manner.

The results were declared on 31.08.2010 and were also put up in the notice board at the registered office of the company. On the basis of the response as given below the Chairman announced on 31.08.2010 that the special resolution as set out in the notice dated 31.05.2010 has been duly passed by the members with the overwhelming majority.

DESCRIPTION	NO. OF POSTAL BALLOT FORMS	NO. OF SHARES
Total number of ballot forms with notice dispatched	7896	7,97,37,000
Total number of postal ballot forms received	328	33,16,338
Number of invalid forms	8	1,600
Number of valid postal ballot forms	320	33,14,738
Votes in favour of Resolution	313	33,14,035
Votes against the resolution	7	703
Percentage of votes in favour of the resolution	97.81%	99.98%

MEANS OF COMMUNICATION:

The half yearly/quarterly financial results are published in newspapers viz., "Business Standard", "The Financial Express" and "Malai Murasu" (Tamil). The half yearly/quarterly financial results are also displayed on the Company's website www.jumbobaglimited.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 IV.

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 2010-11.

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(V) of the Listing Agreement is given as Annexure II.

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 III.

For and on behalf of the Board

Place : Chennai
Date : 28.05.2011

K.J.M.Shetty
Chairman

ANNEXURE - II

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. To the best of our knowledge, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. To the best of our knowledge, 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:-
 - a. Significant changes in internal controls over financial reporting 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 : 28.05.2011



ANNEXURE - III

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, 2011 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 No-004050S

M. SRINIVASAN

Partner

M.No.22959

Place : Chennai
Date : 28.05.2011

ANNEXURE - IV

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 uploaded 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 2011.

Place : Chennai
Date : 28.05.2011

G.P.N. Gupta
Managing Director

AUDITOR'S REPORT

To the Members of Jumbo Bag Limited

1. We have audited the attached balance sheet of Jumbo Bag Limited ("the Company") as at 31st March 2011, the profit and loss account and also 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. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Ministry of Corporate Affairs in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in para 3 above, we report that:
 - a. 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;
 - b. 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;
 - c. The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, in all material aspects;
 - e. On the basis of written representations received from the directors, as at 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read with the statement of significant accounting policies and notes to the Accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2011;
 - ii. In the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - iii. In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

M. Srinivasan

Partner

Membership No.: 22959

for **M. Srinivasan & Associates**

Chartered Accountants

Firm registration No.: 004050S

Place : Chennai

Date : 28th May 2011



ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date

- (i)
 - 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 are being 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.
- (ii)
 - 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.
- (iii)
 - a. The company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register under 301 Of the Act. However the company has taken loan from one party covered in the register maintained under sec 301 of the Companies Act 1956, aggregating to Rs. 100 lakhs (Maximum balance outstanding during the year Rs. 100 lakhs)
 - b. The rate of interest and other terms and conditions on which the loans have been taken by the company are not, prima facie, prejudicial to the interest of the company. The company has not granted any loans during the year.
 - 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.
- (iv) 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.
- (v)
 - 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.
- (vi) 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.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

- (viii) 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.
- (ix) 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.
- b. 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 2011 for a period of more than six months from the date they become payable.
- c. 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.
- (x) The company does not have any accumulated losses as at March 31, 2011 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) In our opinion, the company has not defaulted in repayment of its dues to bank during the year.
- (xii) 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.
- (xiii) The provisions of any special statute applicable to a chit fund, nidhi, mutual benefit fund / societies are not applicable to the company.
- (xiv) 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.
- (xv) In our opinion, the company has not given any guarantee for the loans taken by others from banks and financial institutions.
- (xvi) 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.
- (xvii) 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.
- (xviii) 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.
- (xix) 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.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) 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.

M. Srinivasan

Partner

Membership No.: 22959

Place : Chennai

Date : 28th May 2011

for **M. Srinivasan & Associates**

Chartered Accountants

Firm registration No.: 004050S

**BALANCE SHEET AS ON 31ST MARCH 2011**

Particulars	Schedule	As at 31st March 2011		As at 31st March 2010	
			Rs.		Rs.
Sources of Funds					
Shareholders' Funds					
Share Capital	1		83,817,000		83,817,000
Reserves & Surplus	2		96,411,977		89,974,365
Loan Funds					
Secured Loans	3		351,953,745		253,767,279
Unsecured Loans	4		16,110,000		4,510,000
Deferred Tax Liability	5		40,471,075		39,133,369
Total			588,763,797		471,202,013
Application of Funds					
Fixed Assets:	6				
Gross Block		397,347,087		387,618,252	
Less: Accumulated Depreciation		155,699,520	241,647,567	136,906,278	250,711,974
Investments (at cost)- Jumbo Bag LLC			227,475		227,475
Current Assets, Loans & Advances	7	429,187,783		314,173,161	
Less: Current Liabilities & Provisions	8	82,299,028	346,888,755	93,910,597	220,262,564
Total			588,763,797		471,202,013

Significant accounting policies

Notes to 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

M. SRINIVASAN

Partner – Membership No.22959

G.P.N. GUPTA

Managing Director

G.S. ANIL KUMAR

Director – Finance

Place : Chennai

Date : 28.05.2011

JAYANTH VISWANATHAN

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Schedule	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
Income			
Turnover Gross	10	1,028,222,017	674,799,653
Operational Income	11	1,098,545	11,355,649
Other Income	12	10,748,492	3,565,584
Total Income		1,040,069,054	689,720,886
Expenditure			
Manufacturing Expenses	13	918,403,532	600,806,562
Administrative Expenses	14	29,619,678	26,244,459
Selling Expenses	15	44,840,593	31,777,071
(Increase) / Decrease in Stock	16	(19,519,841)	(26,594,733)
Total Expenditures		973,343,962	632,233,359
Profit before Interest, Depreciation & Taxation		66,725,093	57,487,527
Interest & Finance Charges	17	38,907,174	27,963,299
Profit before Depreciation & Taxation		27,817,919	29,524,228
Less: Depreciation	6	18,793,242	18,408,958
Miscellaneous Expenditure Written Off	9	-	500,860
Profit before Tax		9,024,677	10,614,410
- Current Tax		1,588,904	3,607,838
- Deferred Tax		1,337,706	1,094,140
Profit / (Loss) after Tax		6,098,067	5,912,432
Add / (Less) : Prior Period adjustments (Net)		339,545	154,662
Add / (Less) : Profit brought forward from previous Year		36,621,365	30,554,271
Profit available for appropriation		43,058,977	36,621,365
Balance Carried to Balance Sheet		43,058,977	36,621,365
Earnings Per Share in (Rs.)			
profit per share (par value of Rs. 10 each)			
Basic and diluted		0.76	0.75
Weighted average number of equity shares			
Basic and diluted		7,973,700	7,973,700

Significant accounting policies

Notes to 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

M. SRINIVASAN

Partner – Membership No.22959

G.P.N. GUPTA

Managing Director

G.S. ANIL KUMAR

Director – Finance

Place : Chennai

Date : 28.05.2011

JAYANTH VISWANATHAN

Company Secretary

**SCHEDULES FORMING PART OF ACCOUNTS**

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule 1		
Authorized		
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
Total	200,000,000	200,000,000
Issued, Subscribed and Paid-up 79,73,700 Equity Shares of Rs.10/- each	79,737,000	79,737,000
Shares Forfeited Account equity shares of Rs.10/- Each	4,080,000	4,080,000
Total	83,817,000	83,817,000
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	23,045,000	23,045,000
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.	43,058,977	36,621,365
Total	96,411,977	89,974,365
Schedule 3		
Secured Loans		
Term Loans		
Medium Term from State Bank of India	20,297,312	31,284,704
Medium Term from State Bank of Hyderabad	561,968	3,602,828
Medium Term Loan from IOB	1,043,700	6,740,348
Working Capital facilities		
State Bank of India	187,733,461	83,657,945
State Bank of Hyderabad	86,428,510	77,225,677
Buyers Credit	54,955,192	49,881,622
Borrowings from Other Banks under Hire Purchase	933,602	1,374,155
Total	351,953,745	253,767,279
Schedule 4		
Unsecured Loans		
Public Deposits	6,110,000	4,510,000
Others	10,000,000	-
Total	16,110,000	4,510,000
Schedule 5		
Deferred Tax Liability	39,133,369	38,039,229
Add: Liability	1,337,706	1,094,140
Closing Balance	40,471,075	39,133,369

Schedule 6
Depreciation Schedule for the period ended 31.03.2011

(in Rupees)

Particulars	Gross Block				Depreciation			Net Block	
	As at 01.04.2010	Additions	Deletions	As at 31.03.2011	As at 01.04.2010	For the Year	Adjustments	As at 31.03.2011	As at 31.03.2010
Land	7,427,501	1,859,050	-	9,286,551	-	-	-	9,286,551	7,427,501
Buildings	95,310,080	1,637,290	-	96,947,370	27,800,355	3,219,759	-	65,927,256	67,509,725
Plant & Machinery	228,966,426	11,766,832	-	240,733,258	86,485,732	12,513,386	-	141,734,140	142,480,694
Furniture & Fittings	8,302,401	196,550	-	8,498,951	3,524,313	519,669	-	4,454,969	4,778,088
Office Equipments	12,153,513	865,299	-	13,018,812	8,286,395	944,706	-	3,787,711	3,867,118
Vehicles	4,935,391	441,000	-	5,376,391	1,026,307	472,781	-	3,877,303	3,909,084
Electrical & Electronic Equipments	23,392,088	93,666	-	23,485,754	9,783,176	1,122,941	-	12,579,637	13,608,912
Capital Work-in-Progress	7,130,852	-	7,130,852	-	-	-	-	-	7,130,852
Total	387,618,252	16,859,687	7,130,852	397,347,088	136,906,278	18,793,242	-	155,699,520	250,711,974
Previous Year	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



Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule 7		
A. Current Asset, Loans & Advances		
Inventories (as valued and certified by the Management)		
a) Raw Materials & Intermediates	20,085,103	25,400,925
b) Spares & Consumables	5,486,877	4,950,071
c) Work-in-Progress	114,211,481	93,996,872
d) Finished Goods	12,333,554	12,865,655
e) Scrap	19,953	182,620
f) Goods in transit	2,241,155	9,231,215
	154,378,123	146,627,358
Sundry debtors		
Unsecured		
Debits outstanding for a period exceeding six months		
- considered good	5,996,736	1,835,991
- considered doubtful	70,725	70,725
Other debts		
- considered good	183,545,556	99,069,507
Less: Provision for doubtful debts	(70,725)	(70,725)
	189,542,292	100,905,498
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.2,33,085/-		
Cash and bank balances		
Cash in hand	549,351	174,582
Balances with scheduled banks		
- in current account#	227,760	168,959
- in margin money deposit account	12,796,884	5,373,860
- Dividend account	2,240,126	2,488,679
	15,814,121	8,206,080
# includes Balance in EEFC A/c (USD 225 - INR equivalent Rs.17916/-)		
B. Loans & Advances		
Loans and advances		
Unsecured, considered good		
Deposits	9,354,785	7,149,717
Advances, recoverable in cash or in kind or for value to be received*	13,269,252	12,915,911
Advances to suppliers	-	724,989
Balances with government authorities	35,184,147	29,171,379
Prepaid expenses	3,701,221	2,165,015
Interest receivable TUF & others	6,009,670	4,993,881
Advance tax and tax deducted at source	1,934,172	1,313,333
	69,453,247	58,434,225
* Amount outstanding from companies under the same management as defined under section 370 (1B) of the Companies Act, 1956: Rs. 2,33,085		
* Maximum amount outstanding from companies under the same management as defined under section 370 (1B) of the Companies Act, 1956:Rs.28,42,280		
Total	427,187,783	314,173,161

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Schedule 8		
Current liabilities		
Sundry creditors		
- total outstanding dues of micro enterprises and small enterprises (Refer to note 13 of schedule)	Nil	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	50,373,195	60,549,301
- Others	14,022,446	7,345,395
Other liabilities		
- statutory liabilities	2,113,430	2,561,459
- others	4,671,868	4,438,603
* amounts due to small scale undertakings NIL (Previous period: Rs Nil)		
Provisions		
Expenses	1,969,954	8,342,828
Compensated absences	552,296	636,983
Employee benefits	2,392,087	1,626,807
Income Tax	3,963,627	5,920,542
Unclaimed Dividend	2,240,126	2,488,679
Total	82,299,028	93,910,596
Schedule 9		
Miscellaneous Expenditure		
(to the extent not written off or provided for)		
Technical Know How Fees - Opening Balance	-	500,860
Less: Written off during the year	-	500,860
Total	-	-



Particulars	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
Schedule 10		
Turnover		
Export	335,586,479	232,885,598
Domestic	564,450,656	392,122,852
Job work	58,959,637	609,111
Net turnover	958,996,772	625,617,561
Add: Excise duty	58,318,934	38,825,792
Add: Sales tax	10,906,311	10,356,300
Gross Turnover	1,028,222,017	674,799,653
Schedule 11		
Operational Income		
TUF Interest	-	6,119,273
Excise Duty Drawback(net of expunged)	1,098,545	5,236,376
Total	1,098,545	11,355,649
Schedule 12		
Other Operational Income		
Entry Tax Refunded	-	828,372
Interest from Banks	949,050	509,015
Miscellaneous Income	252,073	127,146
Insurance Claim	106,191	932,338
Interest from Others	1,546,555	374,766
Exchange Fluctuations on Sales	2,357,349	793,947
Commission	1,529,595	-
Export Sale Incentive	4,007,679	-
Total	10,748,492	3,565,584

Particulars	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
Schedule 13		
Manufacturing Expenses		
Raw Materials Consumed	714,736,653	440,788,433
Spares & Consumables consumed	10,970,270	10,568,166
Power & Fuel	38,880,043	33,631,965
Repairs & Maintenance		
- Building	794,158	913,058
- Machinery	2,313,058	1,381,297
- Others	1,591,990	1,327,295
Salaries & Wages	26,968,307	21,666,327
Workers Welfare	10,136,570	4,391,381
Job Work Charges	31,797,152	26,900,790
Rent	7,804,804	7,502,929
Watch & Ward	2,180,637	1,670,712
Insurance Expenses	1,004,645	882,117
Excise Duty	58,318,934	38,825,792
Sales Tax	10,906,311	10,356,300
Total	918,403,532	600,806,562
Schedule 14		
Administrative Expenses		
Directors' Remuneration	5,208,395	4,650,984
Audit Fees	357,500	306,750
Books & Periodicals	36,289	69,385
Donations	10,000	18,000
Postage, Telegrams & Telephones	965,723	1,043,164
Printing & Stationery	808,949	802,105
Rent, Rates & Taxes	2,020,328	837,971
Repairs & Maintenance	868,371	887,469
Staff Welfare Expenses	248,750	400,676
Training Expenses	30,916	201,547
Traveling & Conveyance	2,932,516	2,364,490
Office Maintenance	1,286,341	839,055
Salaries	8,905,734	7,987,048
Listing Fees & Filling Fees	19,190	145,040
Loss on Sale of Assets	129,971	1,837,831
Sitting Fees	710,000	810,000
Professional & Legal Charges	2,682,702	1,946,836
Advertisement & Publicity	217,327	274,959
Membership & Subscriptions	311,446	312,300
Meeting Expenses	136,692	173,736
Miscellaneous Expenses	1,316	43,562
Gratuity	1,344,219	291,551
Sundry Debtors - Written off	387,003	-
Total	29,619,678	26,244,459



Particulars	Year ended 31st March 2011 Rs.	Year ended 31st March 2010 Rs.
Schedule 15		
Selling Expenses		
Marketing Administration Expenses	4,176,636	3,629,734
Foreign Travel Expenses	3,252,603	3,003,770
Freight Outwards	25,196,979	22,267,346
Sales Promotion Expenses	521,681	885,736
ECGC Premium	765,418	572,062
Rebate & Discount on Sales	1,269,013	308,518
Brokerage & Commission	9,658,263	1,109,905
Total	44,840,593	31,777,071
Schedule 16		
(Increase) / Decrease in Stock		
Opening Stock		
Finished Goods	12,865,655	16,622,530
Work-in-Progress	93,996,872	63,626,172
Scrap	182,620	201,712
Closing Stock		
Finished Goods	12,333,554	12,865,655
Work-in-Progress	114,211,481	93,996,872
Scrap	19,954	182,620
(Increase) / Decrease in Stock	(19,519,842)	(26,594,733)
Schedule 17		
Interest & Finance Charges		
Bank Charges	8,601,666	4,979,257
Interest to Banks	28,495,908	21,343,139
Interest - Others	1,809,600	1,640,903
Total	38,907,174	27,963,299

NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE 18

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 the 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.

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. Income taxes

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	2010-11	2009-10
Profit available for equity share holder	Rs. 60,98,067	Rs. 59,12,432
Number of Equity shares (Basic and diluted)	79,73,700	79,73,700
Earnings per Share	Rs. 0.76	Rs. 0.75
Cash Earnings per Share	Rs. 3.12	Rs. 3.05

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 has written to vendors requesting them to inform whether they would fall under the preview of Micro, Small and Medium Enterprises Act, 2001. Based on disclosure received, amount payable to such enterprises as at 31st March 2011 is Nil.

14. Details of Managerial Remuneration**In Rupees**

Details of Managerial Remuneration	2010-11	2009-10
Salary and Allowances	47,53,336	42,40,008
Perquisites	50,059	50,976
Contribution to Super Annuation Fund	4,05,000	3,60,000



The computation of profit under section 349 of Companies Act, 1956 is not considered as the managerial remuneration. The remuneration that is paid is minimum remuneration based on effective capital of the Company as prescribed under Schedule XIII of the said Act.

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
	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 ServiceTax on Freight Outward	2008-2009	0.95	0.95	Pending with commissioner Appeals

SI No.	Description	AY	Demand (including penalty Rs. Lakhs)	Present Status
3	a. Deduction claimed u/s 80HHC is disallowed and petition had been filed before tribunal	1998-1999	24.40	Miscellaneous petition had been filed before the tribunal
	b. Deduction claimed u/s 80HHC is disallowed and petition had been filed before tribunal	1999-2000	4.24	Miscellaneous petition had been filed before the tribunal
	c. Interest for deferred period u/s 20(2)	2000-2001	2.57	Miscellaneous petition had been filed before the tribunal
	d. Deduction claimed u/s 80HHC is disallowed	2003-2004	2.43	Miscellaneous petition had been filed before the tribunal
	e. Penalty levied u/s 271(1)	2004-2005	0.67	Appeal made with CIT
	f. Penalty levied u/s 271(1)	2005-2006	6.92	Appeal made with CIT
	g. Demand and penalty levied	2006-2007	6.91	Appeal made with CIT
	h. Penalty levied u/s 271(1)	2007-2008	35.97	Appeal made with CIT

16. Leases

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 contracted lease amounts to Rs. 86,08,696/- (previous year Rs.74,79,498/-)

17. Disclosure Under AS-15**Defined Contribution Plans:-**

- (a) Contribution to Provident Fund : Rs.16,16,528/-
 (b) Contribution to Superannuation Fund : Rs. 6,83,510/-

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 31.03.2011 and the estimated liability amounted to Rs. 16.22 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:

(In. Rupees)			
Sl. No.	Particulars	2010-11	2009-10
(i)	Present value of obligation at the beginning of the year	33,30,775	33,09,716
	Interest Cost	2,66,462	2,64,777
	Current Service Cost	3,88,049	3,97,252
	Benefits paid	(4,48,218)	(4,79,050)
	Actuarial (gain) / loss on obligation	7,54,048	(1,61,920)
	Present Value of obligation at the end of the year	42,91,116	33,30,775
(ii)	Fair value of planned assets at the beginning of the year	24,08,319	26,78,811
	Expected return on plan assets	2,32,442	2,08,558
	Contribution	5,56,064	NIL
	Benefits paid	4,48,218	(4,79,050)
	Actuarial gain / (loss) on plan assets	NIL	NIL
	Fair value of plan assets at the end of the year	27,48,607	24,08,319
(iii)	Amounts recognized in the balance sheet		
	Present Value of obligation as at the end of the year	42,91,116	33,03,775
	Fair Value of plan at the end of the year	27,48,607	24,08,319
	Funded status of the plan – (asset) / liability	(15,42,509)	(9,22,456)
	Net Assets / (liability) recognized in Balance Sheet	15,42,509	9,22,456
(iv)	Amounts recognized in the statement of Profit and Loss		
	Current Service Cost	3,88,049	3,97,252
	Interest Cost	2,66,462	2,64,777
	Expected return on plan assets	(2,32,442)	(2,08,558)
	Net Actuarial (gain) / loss recognized in the year	7,54,048	(1,61,920)
	Expenses recognized in the statement of profit and loss	11,76,117	2,91,551
(v)	Principal actuarial assumptions		
	Discount Rate	8%	8%
	Salary Escalation	5%	5%
	Expected Return on plan assets	8%	8%

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

Information given in accordance with the requirement of Accounting Standard 17, on Segment Reporting.

Company's business segments are as under:

Manufacturing: Manufacture of Flexible intermediate bulk container packaging material used for industrial purposes.

Trading: Trading of Polymers.

Segment Accounting Policies:

- a. Segment accounting disclosures are in line with accounting policies of the Company.
- b. Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment.
- c. Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment Result.
- d. Major portion of segment liabilities and Assets relates to manufacturing segment
- e. Previous year figures have not been furnished since this is the first year of disclosure in terms of the standard.

Segment-wise Reporting as per the format under clause 41 of the Listing agreement. (Rs. in Lakhs)

Particulars	Year Ended 31.03.2011
1. Segment Revenue	
(Net Sales / Income from each segment should be disclosed under this head)	
(a) Segment A - Manufacturing Business	8,219.14
(b) Segment B - Trading Business	1,370.83
(c) Unallocated	-
Total	9,589.97
Less: Inter Segment Revenue	-
Net Sales / Income from Operations	9,589.97
2. Segment Results - Profit (+) / Loss (-) before tax and interest from each segment	
(a) Segment A - Manufacturing Business	400.80
(b) Segment B - Trading Expenses	78.53
(c) Unallocated	-
Total	479.33
Less: (i) Interest	389.08
(ii) Other Un-allocable Expenditures Net off	-
(iii) Unallocable Income	-
Total Profit before tax	90.25
3. Capital Employed	
(a) Segment A	1,802.28
(b) Segment B	-
(c) Unallocated	-
Total	1,802.28

19. Disclosures under Accounting Standard - 18:

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

SI No.	Name of the Party	Nature of Relationship	Nature of Transaction	Transactions during the Year Rs.	Closing Balance as on 31.03.2011 Cr / (Dr) Rs.
1	Stanpacks (India) Limited	Associate Company	Job Work Charges Paid Purchase of goods Sale of Goods O/D Interest Received	18,24,489 3,060,451 4,960,985 1,70,766	(1,807,591)
2	JBL Saks P Ltd	Associate Company	Sale of Goods Job Work Charges Received O/D Interest Received	8,75,276 2,93,835 37,319	6,642
3	Jumbo Bag LLC	Subsidiary Company	Sale	2,842,280	233,085
4	G. Sudhakar	Key Management Personnel	Retainer Fees Rent	5,40,000 1,68,000	
5	G.P.N. Gupta	Key Management Personnel	Remuneration	23,22,099	
6	G.S. Anil kumar	Key Management Personnel	Salary	14,29,172	
7	G.P. Ramraj	Key Management Personnel	Salary	14,57,124	
8	G. Sangeetha	Relative of Key Management Personnel	Rent	3,37,368	
9	G.R. Latha Rani	Relative of Key Management Personnel	Rent	103,600	
			TOTAL	2,04,22,765	

20. Contingent Liabilities**(Rs. in Lakhs)**

Contingent Liabilities not provided for	As at 31st March, 2011	As at 31st March, 2010
a. In respect of guarantees given by the Company	405.62	104.62
b. Letter of credit for purchase of raw-materials	194.75	203.88
c. Claims not acknowledged as debts	Nil	Nil
d. Estimated amount of contracts remaining to be executed on Capital accounts, not provided for	465.00	45.00
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
h. Disputed TDS	5.14	-

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.

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. The Company has got the verdict in its favour in the Criminal proceedings. The Civil Suit has not yet been disposed off and the company believes that a reliable estimate of any probable loss, if any, can be made only on its disposal.
23. Deferred Tax Liability accruing during the year aggregating to Rs.13,37,706/- (Previous year Rs.10,94,140/-) has been recognized in Profit & Loss A/c.

PARTICULARS	Deferred tax liability(net) as at 01.04.2010 Rs.	Current year Charge 2010-11 Rs.	Deferred Tax Liability (Net) as at 31.03.2011 (Rs.)
NET DEFERRED TAX LIABILITY:	3,91,33,369		
i. Difference between book and Tax Depreciation		16,50,792	
Total Deferred Tax Liability (A)		16,50,792	
LESS: DEFERRED TAX ASSETS			
i. Provision for Gratuity		2,16,880	
ii. Provision for Leave Encashment		96,206	
Total Deferred Tax Asset (B)		3,13,086	
NET DEFERRED TAX LIABILITY	3,91,33,369	13,37,706	4,04,71,075

24. Expenditure in Foreign Exchange (In Rupees)

Expenditures in Foreign Currency	2010-11	2009-10
i) Travel	32,52,603	30,03,770
ii) Commission (paid for previous years liability)	13,52,291	6,81,972
iii) Others (Testing Charges)	83,558	6,10,794

25. Foreign Exchange Earnings (In Rupees)

Earnings in Foreign Currency	2010-11	2009-10
i) FOB Value of Exports	3,18,245,884	19,94,39,337

26. Remuneration to Auditors :**(In Rupees)**

Auditor's Remuneration	2010-11	2009-10
i) Statutory Audit Fee	1,80,000	1,50,000
ii) Tax Audit Fee	35,000	35,000
iii) Certification Fees & other services	33,804	31,664

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

28. Capacity and Production during the year 2010 – 2011

Capacity & Production	2010-11	2009-10
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)	4894.795	4,558.161

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

Description	2010-11		2009-10	
	Quantity in MT	Value in Rs.	Quantity in MT	Value in Rs.
a. Poly Proplene Granules	2,434.96	152,707,890	4,136.95	239,481,541
b. Others	4,484.95	380,201,494	2,758.46	201,306,892
Total	6,919.91	532,909,383	6,895.41	440,788,433
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 Material				
Import	42.36%	193,060,792	40.45%	178,330,997
Indigenous	57.64%	339,848,592	59.55%	262,457,436
Total	100.00%	532,909,383	100.00%	440,788,433
b. Stores and Spares				
Import	6.28%	1,160,967	4.15%	439,055
Indigenous	93.72%	9,809,303	95.85%	10,129,111
Total	100.00%	10,970,270	100.00%	10,568,166



	2010-11		2009-10	
	Qty in MTS	Value (Rs.)	Qty in MTS	Value (Rs.)
P.P.Bags, Fabric, Components of Jumbo Bags & Small Bags	5183.66	59,94,13,139	4,499.95	48,21,07,897
	Closing Stock as on 31.03.2011		Closing Stock as on 31.03.2010	
	Qty in MTS	Value (Rs.)	Qty in MTS	Value (Rs.)
Finished Goods (Inclusive of Excise Duty)	86.10	12,333,554	97.91	1,41,58,974

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. The earning include Rs. 40.07 Lakhs on account of 24.67 Lakhs of Market Linked Focus Product Scheme and 15.4 Lakhs on account of focus product scheme. While Market Linked Focus product scheme covers a specified list of countries and is applicable for the entire year, the focus product scheme covers exports of all countries and is applicable from 1st January 2011.
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.

Significant accounting policies

Notes to 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

M. SRINIVASAN

Partner – Membership No. 22959

G.P.N. GUPTA

Managing Director

G.S. ANIL KUMAR

Director – Finance

Place : Chennai

Date : 28.05.2011

JAYANTH VISWANATHAN

Company Secretary

CASH FLOW STATEMENT

Cash Flow Statement for the Period 01.04.2010 to 31.03.2011 (Pursuant to clause 32 of the Listing Agreement) (In Rupees)

	2010-11		2009-10	
A Cash Flow from Operating Activities :				
Net Profit before Tax and Extraordinary items		9,024,677		10,614,410
Adjustments for :				
Prior period adjustments - Profit / (Loss)	339,545		154,662	
Depreciation	18,793,242		18,408,959	
Miscellaneous Expenditure Written off	-		500,860	
(Profit) / Loss on sale of asset	129,971	19,262,758	1,837,831	20,902,312
(Profit) / Loss on Other than Business Income				
Operating profit before working capital		28,287,435		31,516,722
(Increase) / Decrease in sundry debtors	(88,636,794)		(20,761,676)	
(Increase) / Decrease in inventory	(7,750,765)		(16,462,804)	
(Increase) / Decrease in other current assets	(20,024,997)		(4,345,779)	
Increase / (Decrease) in sundry creditors	(1,170,131)		(4,717,385)	
Increase / (Decrease) in other liabilities & expenses	(1,428,463)	(119,018,151)	4,122,773	(42,164,871)
Cash generated from operations		(90,723,716)		(10,648,149)
Income taxes paid (Net of refunds)		(1,588,904)		(3,607,838)
Net Cash from Operating activities		(92,319,620)		(14,255,986)
B Cash Flow from Investing Activities :				
Purchase of fixed assets	(9,858,808)		(17,366,920)	
Proceeds from sale of fixed assets	-		-	
Acquisition of Companies	-		-	
Sale of investments	-		-	
Technical Know-how fees	-		-	
Interest received	-		-	
Dividend received	-		-	
		(9,858,808)		(17,366,920)
Net cash used in Investing Activities		(9,858,808)		(17,366,920)
C Cash Flow from Financing Activities :				
Proceeds from issuance of Share Capital	-		16,580,000	
Proceeds / (Repayment) of Long Term borrowings	(19,724,899)		(20,857,803)	
Borrowings for working capital purposes	118,351,920		45,436,123	
Finance / Lease Liabilities	11,152,277		(10,619,975)	
Investment in Subsidiaries			(227,475)	
Dividend paid (Including Tax on dividend)			-	
		109,786,469		30,310,870
Net cash used in Financing Activities		109,786,469		30,310,870
D Net Increase in Cash and Cash Equivalents (A+B+C)		7,608,041		(1,312,039)
Opening Balance Cash and Cash equivalents		8,206,080		9,518,119
Closing Balance Cash and Cash equivalents		15,814,121		8,206,080
E Net (Increase) / Decrease in Cash and Cash Equivalents		(7,608,041)		1,312,039

Significant accounting policies

Notes to 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

M. SRINIVASAN

Partner – Membership No.22959

G.P.N. GUPTA

Managing Director

G.S. ANIL KUMAR

Director – Finance

Place : Chennai

Date : 28.05.2011

JAYANTH VISWANATHAN

Company Secretary

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

For and on behalf of the Board

M. SRINIVASAN
 Partner – Membership No. 22959

G.P.N. GUPTA
 Managing Director

G.S. ANIL KUMAR
 Director – Finance

Place : Chennai
 Date : 28.05.2011

JAYANTH VISWANATHAN
 Company Secretary



JUMBO BAG LTD.

Regd. Office : S.K. Enclave, No. 4, (Old No. 47), Nowroji Road, Chetpet, Chennai - 600 031

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 **21st ANNUAL GENERAL MEETING** of the Company held at Sri Thyaga Brahma Gana Sabha, Sri. P.Obul Reddy Hall, Vani Mahal, No. 103, G.N. Chetty Road, T. Nagar, Chennai – 600 017 at 10.30 a.m. On Tuesday, the 02nd August, 2011.

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

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



JUMBO BAG LTD

Regd. Office : S.K. Enclave, No. 4, (Old No. 47), Nowroji Road, Chetpet, Chennai - 600 031

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 **21st ANNUAL GENERAL MEETING** of the Company to be held on Tuesday the 02nd August, 2011 at 10.30 A.M. or any adjournment there of.

Signed this day of 2011.

Affix
Rs.1
Revenue
Stamp

Notes : Proxies, in order 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.

Book Post



If undelivered, Please return to:

Jumbo Bag Ltd.

ISO 9001 & 14001

"S.K.ENCLAVE", New No.4, (Old No.47), Nowroji Road,
Chetpet, Chennai - 600 031. Tamil Nadu, INDIA.

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Website: www.jumbobaglimited.com