



# Jumbo Bag Ltd.



AN ISO 22000, 9001 & BRC / IOP CERTIFIED COMPANY

JSE-5/2020-2021/

30.06.2020

**Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
MUMBAI-400 001.**

**Dear Sirs,**

**Sub: Intimation of Impact of COVID 19 Pandemic on the Company  
Ref: Scrip Code –516078**

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020, following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Company which includes manufacturing of FIBC bags and Trading in IOCL Polymer raw materials.

## **1. Impact of the CoVID-19 pandemic on the business;**

The lockdown enforced by the Government of India with effect from 23<sup>rd</sup> March,2020 to contain the spread of COVID 19 has affected the operations of the Company as the offices and manufacturing units were totally shut till end of April 2020. Though the Company received permission to restart operation in the month of April for supplying goods to entities in essential services alone, yet only 5% of production capacity has been take up due to difficulty in bringing workers to the factory and local villagers issues.

From May onwards when the lockdown restrictions have been relaxed gradually Company improved its production capacity to around 35% which was still below its regular utilisation. Since most of the migrant peoples went back to their home town production was running with only some local workers and few other workers who were given accommodation by the Company.

From the month of April to end of May the Company was able to produce only 20% of its output when compared to the previous year 2019.

With respect to trading division of the Company the polymers being considered as essential material for making certain medical requirements minimum volume of sales happened in the end of April. The May month saw good number of sales with orders mostly coming from new customers.

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**Regd. Off. : "SK ENCLAVE" New No. 4, (Old No. 47), 1st Floor, Nowroji Road, Chetpet, Chennai - 600 031.**

**Phone : 91-44-2645 2325, 2645 1722, 2646 1415, Fax : 91-44-2645 1720**

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**CIN : L36991TN1990PLC019944**



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## **2. Ability to maintain operations including the factories/units/office spaces functioning and closed down;**

During the initial period of lockdown employees were working from home and after first half of May when lockdown was relaxed the offices were opened with minimum number of employees as per the guidelines of the Government. Since lockdown is enforced by Tamil Nadu Government from 19<sup>th</sup> of May offices were closed again and employees are working from home from then.

As stated above post the relaxation in lockdown from the month of May the manufacturing units are running with minimum number to workers since many have gone back to their home town due COVID. All the guidelines in Government SOP are strictly followed including the transportation of workers from home with social distancing norms, sanitization of factory premises and vehicles regularly and everyone is provided with kabasurakudineer, mask etc. While all these measures has also increased operational cost of the Company.

After the lockdown announcement by Tamil Nadu Government from 19<sup>th</sup> May the Company has given accommodation to some of its workers and operating the units as per the guidelines.

The trading division has been able to maintain sales from new customers mostly who are into the business of medical equipments. The existing customers are opening their business gradually after months of shutdown and we are expecting the sales to pick up in the coming months based on COVID situations and economic reliefs.

## **3. Schedule, if any, for restarting the operations;**

The Company as per the intimation to stock exchange dated 03.05.2020 had restarted its operations for purpose of essential services alone. And after the lockdown was gradually lifted in May the production was increased with more workers resuming to the work and same has also been intimated to stock exchange dated 21.05.2020.

## **4. Steps taken to ensure smooth functioning of operations;**

To ensure that operation of units is not affected Company is putting in place all the protocols as per the guidelines issued by Central/State Government for safety of the workers

Further as stated above workers are given accommodation by the Company nearby it's units to ensure that they are able to report to work without any hindrances.

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The Company is also coordinating with its contractors to bring back workers from their home town and also ensuring that they are provided with proper accommodation.

The employees at the offices of the Company are provided with required facilities for working from home. Only a minimum number of employees are allowed to work from the office after receiving required permission from the local administration.

## **5. Estimation of the future impact of CoVID-19 on its operations and profitability:**

Due to lockdown the manufacturing units of the Company are literally shut till April month with no production taking in place, the production resumed gradually in the month of May after some relaxations. Units are now being operated with reduced workers since many have gone back to their home town. All this will be having impact in the revenue and profitability for Q1 of the financial year 2020-21.

But there are new orders flowing in from the customers and Company is doing everything possible to complete those orders by providing accommodation to workers and employing more number of local people with all safety guidelines in place.

Since the current business environment is very uncertain it is difficult to predict future business impact. But the Company has taken many strategic decisions to face the changing business environment including the cost cutting measures and certain other aspects to improve the realization from low sales quantity. Company believes these measures will improve profitability of the business under the current circumstances.

## **6. Details of impact of CoVID-19 on listed entity's capital and financial resources;**

- a) **Liquidity position;** The Company's current liquidity position is comfortable to service debt and other financial arrangement. The cost cutting measures implemented by the Company will further add to the liquidity in a longer duration.
- b) **Assets;** There is no material impact on the carrying amount of Company's assets.
- c) **Demand for the products;** With many businesses resuming their operations particularly the international customers there has been quick resumption in sales though at a reduced level. The Company is also ramping up its production capacity to meet the demands for the customers. We expect more orders from domestic companies as they gradually open up the business. We are already supplying orders to businesses in the essential services like pharmaceutical Companies where the demand has been good. There are negotiations with some of our regular customers

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on how to engage going forward without affecting the profitability of both sides. It is expected to take some more time for the sales to reach the desired level as the crises still evolves.

- d) **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;** The Company is engaging with all the customers to manage the current situation and we doesn't see any significant impact on the business due to non-fulfillment of obligations by any party. The Company is well positioned to fulfill the obligations of existing contracts/agreements.

You are requested to take note of the same in your records for the purpose of further dissemination.

**Yours faithfully,  
For JUMBO BAG LIMITED.,**

**SD/-**

**R. Pramod Kumar  
Company Secretary  
Mobile – 09840288401**

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