

JUMBO BAG LTD.

AGENDA FOR 30TH ANNUAL GENERAL MEETING – 14TH August, 2020 - 10.30 A.M

❖ Welcome by the Chairman

A very good morning to you all.

On behalf of Jumbo Bag Limited I am delighted to welcome you all to the 30th Annual General Meeting of your Company. This meeting is conducted through video conferencing as per the directions issued by Ministry of Corporate Affairs and Security and Exchange Board of India. We thank you for joining us today.

❖ Chairman: Since the required quorum being present, I now declare the meeting in order.

❖ Introduction of Directors by the Chairman

Before I take up the agenda for this meeting today, I would like to introduce my colleagues who have also joined through webcast:

- Sri G. S. Anilkumar, Managing Director
- Sri G.P.N. Gupta – Whole-Time Director and CFO
- Smt. S. Subhashini, Independent Director and Chairperson NRC Committee and Stakeholder Relationship Committee
- Sri Rajendra Kumar P – Independent Director
- And Myself Renuka Mohan Rao, Independent Director of the Company and Chairperson of the Board and Audit Committee
- R. Pramod Kumar- Company Secretary
- The representatives of Statutory Auditor M/s J.V. Ramanujam & Co and Secretarial Auditor M/s Lakshmi Subramanian & Associates are also present with us.

❖ Chairman: We have 47 members present through video conferencing to conduct the proceedings of this meeting. Since there is no requirement physical presence of members proxy is not applicable for the meeting. The Register of Directors' Shareholdings, Register of Key Managerial Personnel and Register of Contracts or Arrangements in which directors are interested as per the Companies Act, 2013 are available for inspection on the shareholders e-voting login portal.

❖ **The Chairman's Speech**

Esteemed Shareholders, my colleagues on the Board, distinguished ladies and gentlemen, it is with great pleasure that I welcome you all to the 30th Annual General Meeting of your Company. We thank you all for joining us today through video conferencing and I confirm that we have the quorum present. This year we are not been able meet in person due to COVID-19 requiring all of us to maintain social distancing and safeguard each and every one. Our world has come past many such crises and we as human beings always have the ability to overcome them and lead the life. We strongly believe that the current crisis will also go past as world gets united in fighting the crisis. While we us individuals also have the responsibility in containing the spread of virus by following all the directions of the Government to protect the health of ours and people around us.

Now let us move on to the business today. I would like to start with a brief overview on the happenings during the year, performance of your Company, future prospects and strategies adopted. We will then move onto the formal part of the meeting when we propose the resolutions set out in the notice of meeting.

In the last AGM I informed you regarding the implementation of "Total Productivity Maintenance" (TPM) in the Company. It is a system to improve the efficiency in production, safety of workplace and quality of the products. It has been more the one year since the TPM has been implemented and we have seen some positive results in terms improvement in efficiency and workplace safety. This system is of long term nature and it will take some more time to see that entire benefits coming from it.

The Company is also giving due importance to its R&D activity. During the year the R&D team of the Company has developed a new type of bag by incorporating features as per market requirement. Your Company believes that R&D activities will add value to the customers and give a competitive edge in the market.

The lockdown enforced by the Government of India with effect from 23rd March, 2020 to contain the spread of COVID 19 has impacted the operations of the Company as the offices and manufacturing units were totally shut till end of April 2020. Your Company's diversified network of customers in different geographical region has been an advantage during the crisis. During the lockdown period Company supplied orders to entities engaged in essential services after receiving necessary permission.

Though further orders were received post the relaxation in lockdown but, due shortage of laborers there was difficulty in the execution of the orders. Many labourers have gone to their home town due to spread of virus and lockdown which affected their livelihood.

I will further discuss how the Company plans to perform going forward under current uncertain environment after reviewing the financial performance for the year 2019-20.

Financial Performance:

The Annual Report for the year has already been circulated which contains Standalone financials, Directors Report and Management Discussion analysis giving in detail performance of the Company during the year 2019-20.

The business environment in the financial year 2019-20 has been weak compared the previous financial year 2018-19 due to certain geopolitical tensions. In effect the Indian economy also slowed down during the period with GDP growth falling down to 4.2% against 6.1% in 2018-19. The final quarter of the financial year saw the GDP rate going down to 3.1% which has been lowest in the past decade. Your Company having presence in the overseas market had its export turnover dropping down from Rs.4694.01 lakhs in FY 1819 to Rs. 2786.84 lakhs in FY 1920 due to the global slowdown.

As a result the PBT is down from Rs.250.60 lakhs to Rs.113.42 lakhs even though the expenses have come down from Rs.11530.56 lakhs to 9144.02 lakhs during the above period.

Despite the drop in the performance of manufacturing division, the trading division of the Company which is into polymer raw material sales has recorded higher sales during the FY 1920 compared to the previous year in spite of the stiff competition in pricing from new players in the market. The income on sales from the trading division in FY 1920 is Rs.113.61 lakhs higher by 7.80% against Rs.105.39 lakhs in FY 1819.

Going Forward:

FIBC is a labour intensive industry and require semi-skilled laborers for processes like stitching, cutting etc. Your Company employs considerable number of workers from the other states for running the factory. Due to lockdown many of those workers left to their home town and Company

has to manage the production only with local workers. The shortage of labourers impacted the output during the 1st quarter of the FY2021 increasing the lead time of the orders and delaying realization from the sales.

In the 2nd quarter there have been some relaxations in the lockdown and it is expected that the workers will be returning back to work. Company is in touch with its workers and making necessary arrangements to bring them back from their home town. In the meantime to increase the output we have also outsourced certain production process temporarily. And certain cost management measures are also been undertaken to increase the sales margin.

Safety of the workers during this time of health crises has been the prime concern of the Company. 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.

On the sales side Company is making higher level of collaborations across the value chain for value creation and get better deals from the customers which will be a win-win situation for both. Company is taking orders from some new customers also to balance the drop in requirement from the existing customers. Many domestic customers are yet to restart their business completely after the lockdown is relaxed and we expect to receive more orders as they pick up their business. A lot these also depend upon when the spread of virus is brought under control and how the demand picks up which has come down drastically due to the lockdown.

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, increasing production through outsourcing and certain other aspects to improve the realization from sales. Company believes these measures will improve profitability of the business under the current circumstances. Further the trading business of the Company which is into polymer raw materials that is considered as essential material for making certain medical requirements made minimum volume of sales even during initial lockdown period. 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.

The Government is also bringing in new schemes and incentives to push up the economy which is drastically affected due to total shutdown necessitated by Covid-19 and there is also subsequent drop in consumer demand due to uncertainty of the current crisis and its impact on the jobs.

Government has enlarged the scope of MSME's which qualified your Company for registration under MSME act. Further additional funding is also provided by the banks under scheme of the Government to tackle business uncertainty and same has been availed by the Company.

As no one sure when this crisis will end the businesses needs to be resilient and need to rework and adapt under the current uncertain environment. Your Company is working out all the possibilities as explained above to stay competitive in the market and for recovery of the business.

Insurance Claims:

The legal course of action taken by the Company on the fire accident insurance claims is ongoing. Your Company is very confident that the claim will be considered favorably by the Honorable Court. The Company has already created provision in books for partial amount of claim in the financial year 2018-19 taking a conservative view on the matter.

Social Responsibility:

A business concern is also a part of this society and uses its resources for its growth and profitability. In the same way it must also share its benefits to the society and its people. With this intention your Company is supporting the education of children's from under privileged segment by managing a school in the name of the group founder Gorantla Ramalingaiah Vivekananda Vidyalaya providing education to over 1100 students at concessional fees. Many children's have benefited from this initiative of the Company.

Your Company has sponsored various social activities in collaboration with Educational Institution at a village in Ponneri where the Company's factory is situated. The activities like planting of saplings, cleaning of public spaces such a temple, parks, schools etc. and AIDS and hygiene awareness camps for public were undertaken.

Annual Report:

The Annual Report for the year ended 31st March, 2020 along with the AGM notice, Directors' Report and Management Discussion & Analysis and the Audited Annual Accounts of the Company have been circulated by email to members who have updated there email address with the Company. Hard copy of the Annual Report has not been send as per the directions of Ministry of Corporate Affairs and Security and Exchange Board of India due to enforcement of lockdown.

With your permission, I take them as read.

Conclusion:

I take up this opportunity to thank the stakeholders for their continuous support for our company through the year that went by. I would also like to thank our shareholders, customers, suppliers, bankers, auditors, legal advisors, consultants and all other business associates and the Government, and various authorities for their continued support, interest and confidence in the Company and its management. I would like to acknowledge and thank all the employees for standing by us in our most difficult time.

❖**Chairman:** We now come to the formal proceedings of the meeting. Before we proceed, I am pleased to bring to your notice that as required under Section 108 of the Companies Act, 2013, Secretarial Standards and the Listing Agreement, the Company extended e-voting facility through Central Depository Services (India) Limited (CDSL) to the Members of the Company (who were holding shares as on cut-off date 7th August, 2020) in respect of the businesses to be transacted at the Annual General Meeting. The e-voting period commenced at 9:00 A.M. on Tuesday, 11th August, 2020 and ended at 5:00 P.M. on Thursday, 13th August, 2020. Members who have not voted during the above e-voting period can cast their vote in the course of the meeting through e-voting. M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for the e-voting process.

The Report of Statutory Auditors for the financial year 2019-20 do not contain any qualification or adverse remarks hence they are not required to be read out as per the Companies Act, 2013. The report of the Secretarial Auditor contains observations and I request, Mr. R. Pramod Kumar Company Secretary to read the Observations made by the secretarial auditor in their audit report and the clarification given by the Company in its Directors Report.

❖**Chairman:** Thank you. I take the Annexure to Statutory Auditors Report and Secretarial Audit Report as read with the permission of members.

❖**Chairman:** We have a member Mr. Radhakrishnan registered with us for speaking at the AGM. I invite the member to raise his queries. The members are also provided with the option to raise hand and Q&A option to raise queries

❖**Chairman:** Since the all the businesses requiring shareholders approval as provided in the notice of AGM is voted through e-voting there is no requirement for taking them in the meeting.

❖**Chairman:** We have now come to the end of this meeting. The combined results of e-voting and poll, if any, along with the report of the scrutinizer will be informed to the stock exchanges and uploaded on the website of the company within 48 hours from the conclusion of this meeting.

Chairman: With this the 30th Annual General Meeting comes to an end. On behalf of all I want to thank all the members and Directors for having attended the meeting. I declare the proceedings as closed. Thank you.