



JUMBO BAG LTD.

TRANSCRIPT OF 31st ANNUAL GENERAL MEETING – 14th August, 2021 - 10.45 A.M

❖ Welcome Speech by the Chairman

A very good morning to all of you.

On behalf of Jumbo Bag Limited, I am delighted to welcome you all to the 31st Annual General Meeting of your Company. This meeting is conducted through video conferencing as per the directions as issued by the 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 to conduct the Annual General Meeting, 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 from chennai:

- Shri G. S. Anilkumar, Managing Director
- Shri G.P.N. Gupta – Whole-Time Director and CFO
- Smt. S. Subhashini, Independent Director and Chairperson NRC Committee and Stakeholder Relationship Committee
- Shri Rajendra Kumar P – Independent Director
- Shri Kashiraman Balakrishnan - 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 53 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 – Please read the Chairman speech**

Esteemed Shareholders, my colleagues on the Board, distinguished ladies and gentlemen, it is with great pleasure that I welcome you all to the 31st 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 again we are not been able to 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 and various vaccination drives carried out by government and non-government organizations will improve the current situation. While we as 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.

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.

Your executive directors have forgone their Three month's salary to mitigate the financial stress on company during the tough time where production were below par and blockage of working capital lead to loss during first half of the financial year.

I will further discuss how the Company plans to perform going forward under current uncertain environment after reviewing the financial performance for the year 2020-21.

Financial Performance of your company:

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 2020-21.

The business environment in the financial year 2020-21 has been uncertain compared the previous financial year 2019-20 due to massive outbreak of the COVID-19 pandemic. In effect the Indian economy also shrank down during the period with (GDP) shrank 7.3% to Rs. 135.13 trillion in 2020-21 (in real terms adjusted for inflation). It was at Rs. 145.69 trillion in 2019-20. The third and the final quarter of the financial year saw some improvement in GDP rate which was sign of return of normalcy. Your Company having presence in the overseas market had its export turnover dropping down from Rs. 2,786.84 lakhs in FY 19-20 to Rs. 2,022.74 lakhs in FY 20-21 due to the global slowdown.

As a result the PBT saw dip from Rs. 113.42 lakhs to 54.89 lakhs even though the expenses have come down from Rs. 9144.02 lakhs to 8428.47 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 2020-21 compared to the previous year in spite of supply side restriction from Indian Oil Corporation Limited (IOCL). The income on sales from the trading division in FY 20-21 is Rs. 164.42 lakhs higher by 14% against Rs. 144.23 lakhs in FY 19-20.

Going Forward:

At the beginning of 2021, new COVID-19 variant began to spread around the world, millions of people worldwide were infected with new COVID-19 variant, and major countries around the world have implemented foot prohibitions and work stoppage orders from India.

Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic. This could impact the demand for FIBC bags which used by the customers for storage and transportation of their goods. Hence your Company is engaging with the existing customers and also reaching out to new markets to increase the revenue and growth.

The upcoming financial year 2021-22 will be challenging due to increasing Covid-19 cases and uncertainty over lockdown restriction in India and internationally to contain the spread of Covid-19 pandemic. Now with the lockdown restriction relaxed it will take some time to pick up the operation



given that business of customers too needs to return back to the normalcy.

Further the company has liquidated its unused land situated at kharagpur for healthier working capital and avoid finance cost on external borrowings at the month of April 2021. Your company is also looking out for feasible source of finance for purchase of additional machinery to escalate productions further, which will result in better yield.

Now I shall brief you about the Insurance Claims:

The legal course of action taken by the Company on the fire accident insurance claims is ongoing. Though it is being delayed a bit due to certain restriction on functioning of courts due to Covid-19, Your Company is very confident that the claim will be considered favorably by the Honorable High Court. The Company has already given effect to part of the claim by writing off significant part of the provision. The company will continue to take steps towards recovery of the claim amount through the legal process.

Social Responsibility undertaken by your company:

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 motto 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 during the covid-19 lockdown including Distribution of Rice to the villagers and Covid precautionary items like Face mask, hand gloves, sanitizer to the government office and villagers.

Annual Report :

The Annual Report for the year ended 31st March, 2021 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 sent as per the directions of Ministry of Corporate Affairs and Security and Exchange Board of India due to curb further spread of Covid-19.

With your permission, I take them as read.

Conclusion:



Before I end, I would like to express my sincere appreciation and special thanks to all employees of the Company for their support and contribution in these challenging times and to my colleagues on the Board for their contribution and counsel. I also wish to thank all our customers, sub-contractors, vendors, bankers for their support. Lastly, I wish to convey my deep appreciation to you, dear shareholders, for your continued support and understanding shown over the years. Thank you.

❖**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 Obligations, 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, 2021) in respect of the businesses to be transacted at the Annual General Meeting. The e-voting period commenced at 9:00 A.M. on Wednesday, 11th August, 2021 and ended at 5:00 P.M. on Friday, 13th August, 2021. 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 2020-21 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 do not contain any qualification or adverse remarks too hence they are not required to be read out as per the Companies Act, 2013.

❖**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. Santosh Chopra 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 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 2 working days from the conclusion of this meeting.

❖ **Chairman:** With this the 31st 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.