

DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in presenting the 34th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2016 are briefly given below:-

Particulars	2015-2016 (₹)	2014-2015 (₹)
Sales & Other Income	42,11,36,650	39,83,98,286
Profit before Depreciation & Interest	3,38,75,811	3,61,82,938
Less: - Depreciation	1,16,93,000	85,00,000
Interest/Finance cost	1,45,05,016	1,04,26,662
Profit before exceptional Item	76,77,795	1,72,56,276
Add; Exceptional Items	—	1,63,68,339
Add: Extra Ordinary Item of Income	—	1,30,31,787
Profit before Tax	76,77,795	4,66,56,402
Less: Provision for Taxation	25,00,000	1,37,50,000
Profit after Taxation for the Year	51,77,795	3,29,06,402

2. COMPANY'S AFFAIRS AND PERFORMANCE**Financial Performance**

During the year under review the Revenue from Operations of the Company was ₹ 4131.71 Lacs as against ₹ 3960.20 Lacs of the previous year. The export turnover of the Company during the year under report was ₹ Nil as against ₹1.92 Lacs of the previous year. The Company has earned the Profit before Tax, before Exceptional & Extra Ordinary Items of ₹76.78 Lacs as against the Profit of ₹ 172.56 Lacs of the previous year.

3. TRANSFER TO RESERVES

Your Company has not proposed to transfer any amount to the General Reserve. An amount of ₹ 51,77,795/- is proposed to be retained in the Statement of Profit and Loss Account.

4. DIVIDEND

Considering the present sluggish business environment, slow down in the economy, and with a view to augment the long term resources and to plough back the earnings in the business itself, your Directors do not recommend any Dividend on the Shares of the Company.

5. MANAGEMENT DISCUSSION & ANALYSIS REPORT**Introduction**

The Indian Food Processing Industry is showing remarkable Growth. The packaged Food processing Sector is one of the largest Sectors in India. However having accepted these facts your Company could not achieve better performance mainly because of the peculiar product range the Company is having. The main revenue generation of the Company, at present is out of the Food Items like Pickles and Ketchups, which are traditional. These Food Products have its own limitations to contribute to the growth success.

Market Scenario and Challenges

Due to the changing environment, erratic atmosphere and weather conditions the agricultural sector has seen a setback over past couple of years. The procurement of quality raw material at a right time and right price has become a difficult task. The volatile input cost environment and sensitive competitive intensity the operative environment for the Company during the Year continued to be challenging. The performance of the Company if viewed in this context is reasonable.

As a result, the Company manufacturing Pickles and Ketchups is facing low growth orientation.

Competition

'Competition' in Food Industry is very strong and tough, as it covers International Players as well as Players from Organized and Unorganized Sector. It is difficult to balance the marketing and pricing strategies, because of the product range and volumes the International Players are dumping in the market and the low prices that are offered by the Unorganized Sector.

The ever increasing prices and scarcity of quality Raw Material also matters the financial performance of the Company, as the Prices of the Products marketed by the Company are market driven and there is hardly any chance to fix the Prices on its own.

The Company has established a wide range of Distribution network in Maharashtra, Karnataka and Goa which approaches to the numerous grocery stores. However the Customers now adopting new means of purchasing like E – Commerce Platform, Online purchasing, Malls etc. the Company is finding it difficult to boost the demand for its Products in the Market by the present marketing strategies. The Company is focusing to tap new Products, new Markets and new means of marketing to meet the changing trends and preferences of the Customers.

Sustainability and Growth:

To match with the fast growing technical developments, the Company is also upgrading itself with new developed manufacturing techniques and is upgrading its manufacturing processes and production infrastructure. In the processed Food Industry, 'Packaging' is also a vital part. The Company is giving utmost thrust and importance to the packaging whereby the shelf life of the products is improved as well it attracts the attention of the Customers.

During the Year the Company took the major steps for approaching the end Customers, by direct Advertisements through advertising in retail stores, outdoor campaigns and more appealing packaging.

The Company is also developing new Processed and Ready to eat Food items, and is giving emphasis on the market driven fast moving Food Products, to add to its present range of Products.

The Company gives utmost care on Waste Management, as lot of Bio based Waste is generated during the course of production. The Company is taking each and every step to be environmental friendly in its manufacturing processes and in compliance with the stricter norms introduced by the Food Safety Authority.

6. CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and