

J. R. FOODS LIMITED

MANAGEMENT DISCUSSION & ANALYSIS REPORT

We herewith submit the Management Discussion & Analysis Report on the business of the Company for the year ended 31st March, 2018. In this we have attempted to include discussion on all the specified matters to the extent relevant or within limits that in our opinion are imposed by the Company's own competitive position.

COMPANY & INDUSTRY STRUCTURE

The Company manufactures Solvent Extracted oils and Refined vegetable oils exclusively at its factory at Thirubhuvanai Village, Puducherry. This unit is self sufficient to perform its duties and functions. The commitment of the Company towards quality and customer orientation reflects in its growing clientele.

REVIEW OF OPERATIONS

A summary of major performance indicators is given below, while the detailed and physical performance may be viewed from the Balance Sheet and Profit & Loss Account and the Annexures thereto.

	2017-18 (Rs in Lakhs)	2016-17 (Rs in Lakhs)
Sales	17564.58	13067.89
Net Profit after Tax	151.18	118.64

Due to the best efforts of total team the turnover of the company has increased slightly when compared to the previous year though there was impact of demonetization and frequent price fluctuation of raw material in international market and volatile foreign exchange fluctuations. In spite of difficulties in getting the required working capital, the turnover was not up to the level of projections. However, the financial results have been satisfactory. Despite the cost control and other operative income we are able to have a profit during the financial year which is in line when compared to the previous year.

OUTLOOK

Due to frequent changes in Government policies, the Industry continues to be in uncertainty. However, hopes have been revived that the upcoming year will prove to be good for the industry.

ENVIRONMENT & SAFETY

The Company is conscious of the need for environmentally, clean and safe operations. Our industry is not a polluting one. The Company's policy requires that all operations be conducted in such a way as to ensure safety of all concerned, compliance of statutory and industrial requirement for environment protection and conservation of natural resources.

OTHER MATTERS

There are no further or typical areas of risks or concerns in the usual course of business foreseeable at this time. Internal control system had been found to be adequate and is continuously reviewed for further improvement. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence including compliances of all relevant laws and regulations. Our appreciation is due to all employees and gratefulness to our Board, shareholders, financial institutions/Banks and other stakeholders.

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CAUTIONARY STATEMENT

Statements in this "Management Discussion & Analysis" which seek to describe the company's objectives, projections, estimates, expectations or predictions may be considered to be forward looking statements with in the meaning of applicable 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 global and Indian demand – supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the company's markets, changes in the government regulations, tax regimes, economic developments within India and countries with which the company conducts business besides other factors, such as litigation and other labour negotiations.

For and on behalf of the Management Team

KAMALA J. KOTHARI

Team Head

Place: Puducherry

Date: 28th August, 2018

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of J. R. Foods Limited,

We have examined the compliance of conditions of Corporate Governance by J.R. Foods Limited, for the year ended 31st March 2018, as stipulated in SEBI LODR Regulations.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of 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 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 generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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 **BALAJI & GOPALAN**
CHARTERED ACCOUNTANTS
Firm Registration No: 008874S

S. MADANAGOPALAN

Partner

Membership No: 025239

Place: Puducherry

Date: 30th May, 2018