

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENT

Packaging plays a very distinct role in today's modern consumerist economy with the need for widespread adoption of branding and development of consumer preferences. Any manufactured item, to gain market share, requires packaging to ensure safety, convenience and attractiveness. Packaging is a key component for consumption and consumer preferences in today's economy. Packaging helps in preservation of quality and lengthening shelf life of products such as milk, biscuits, drugs, processed and semi-processed foods, fruits and vegetables, edible oils, etc. Packaging is also required for most other manufactured goods to preserve it from any damage during transit. The packaging industry has evolved over the years from a relatively small range of heavy, rigid containers made of wood, glass and steel to a broad array of rigid, semi rigid and flexible packaging options increasingly made from specialized lightweight materials. The packaging industry's growth has also led to greater specialization and sophistication from the point of view of health (in the case of packaged foods and medicines) and environment friendliness of packing material. The demands on the packaging industry are challenging, given the increasing environmental awareness among communities.

### KEY DRIVERS AND TRENDS

- Ageing of world population;
- Trend towards smaller and nuclear households
- Increasing trend towards convenience and quick access among consumers;
- Rising health awareness among consumers;
- Trend towards 'on-the-go' lifestyles among increasingly time-poor consumers;
- Growing requirements for brand enhancement/ differentiation in an increasingly competitive consumer environment;
- New technology and modern packaging material;
- Increasing awareness of environmental issues and the adoption of new regulatory requirements on packaging recycling.

### OPPORTUNITIES & THREATS

The Company has benefited from the experience of its Promoters and the core management team. We believe that our Promoters have built a strong relationship with both the suppliers and the customers in the industry. The Company's core strength lies in the extensive knowledge of its core management team which helps the Company to execute the growth strategies. Most of the key managerial personnel have substantial experience in their respective fields. The Company believes that having a strong management team with extensive experience enables it to respond to changing market conditions and tune it to the preferences of the customers for its overall success and future growth. The Company's large customer base gives it strength and support for future expansion and growth. In last few years, the client base has been diversified geographically and sector-wise. It caters to various sectors like pharma, auto ancillary, FMCG, electrical, food etc. The progression of demand in the packaging industry is influenced by a wide range of factors and includes both year on year short term factors and other long term factors. Like any other industry, while the economy plays a central role in influencing the size and growth of the market, there is a multitude of other factors which can be seen as having a direct or at least an indirect influence on the demand in the packaging industry, irrespective of the performance of the economy.

### RISKS AND CONCERNS

Your company does not perceive any risk or concern other than those that are common to the industry such as regulatory risks, exchange risk and other commercial and business related risks.

### DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

#### a) Operating Results

During the year, the Company has net revenue from operations of ` Nil against ₹ 115.90 lacs in the previous years and as such there is a loss of ₹77.16 lacs as against the loss of ₹ 282.20 lacs in the previous year.

**b) Resource Utilisation**

The gross fixed assets as at 31.03.2016 were ₹3826.50 lacs as compared to ₹3826.50 lacs in the previous year. During the year there is no increase in the assets of the Company.

**c) Working Capital**

Net working capital including cash and bank balances as on 31.03.2016 was ₹ (4024.97)lacs. Book debts outstanding for a period exceeding six months from the date they were due for payment as on 31.03.2016 and in the previous year stood at ₹Nil and ₹51.31lacs respectively.

**Internal Control Systems**

The Company has got its own system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorised use or disposition, and that transactions are authorised, recorded and reported correctly. The internal control systems are supplemented by internal audits, reviews by management, and documented policies, guidelines and procedures. The internal control systems are designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

**Material Development in Human Resources / Industrial Relations:**

Company hires the best talent from anywhere in the country that it needs for its services. The Company has well designed training programme to take care of the training needs of the professionals to keep them abreast of the new technological changes. The Company enjoys healthy relations with its customers, investors, employees, banks, and various state and central government departments. To offer the most cost-effective solutions to the overseas existing clients and also to capture new clients, the Company also recruits highly skilled technical persons from reputed institutes.

**Present Situation**

*As shareholders are aware that due to various unfavourable developments in the past and extremely difficult working capital situation, company's all operation have come to standstill situation resulting into all loan accounts becoming NPA and banks have taken the physical possession of the factory premises and promoter director's personal house property. In spite of such a most difficult situation company's management is working hard to settle bank dues and other statutory liabilities with the help of either disposal of assets or inducting some investor. However, at present management is not in position to commit anything concrete on the same and also the same should not be taken as a forward looking statement.*

**Non availability of material information to be disclosed in the annual report**

*As explained here in above the company and its promoters are passing through the most difficult situation. As a result company has defaulted in making payments to various agencies including NSDL, CDSL, Registrar and Transfer Agents, BSE, NSE. In spite of the same, company is trying its level best to keep the shareholders' informed and revive the situation. Due to this, this Annual report doesn't provide some of the mandatory information.*

**Cautionary Statement**

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections estimates, and exceptions may be "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.*