



## MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and developments:

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This dip is majorly due to low agricultural growth — in fact, a contraction in the fourth quarter. Low food inflation made farmers produce less and spend less on consumption. This led to an overall dip in economic activities, the survey noted.

Acreage for the rabi crop was marginally lower than last year, which affected agricultural performance. “The contraction in food prices may have contributed to inducing farmers to produce less,” read the survey.

SWOT Analysis

Strengths :

- ? Vast network of arable and fertile lands.
- ? Experienced management team with exposure in Agricultural industry to run the operations.
- ? Emphasis on quality of product nurtured across the company.
- ? The company has established strong presence in the market for several years.
- ? The business model is simple & needs minimum marketing requirement.
- ? Increase in the export of products/Entered into Export Market.

Weaknesses:

- ? Low availability of adequate infrastructural facilities
- ? Lack of adequate quality control and testing methods as per international standards
- ? Inefficient supply chain due to a large number of intermediaries
- ? High requirement of working capital.
- ? Seasonal produce.

Opportunities

- ? Large crop and material base offering a vast potential for agro processing activities.
- ? Rising income levels and changing consumption patterns.
- ? Favorable demographic profile and changing lifestyles.
- ? Integration of development in contemporary technologies such as electronics, material science, bio-technology etc. offer vast scope for rapid improvement and progress.
- ? Making a mark in global and International markets.

Threats

- ? Affordability and cultural preferences of fresh food.
- ? Competition from global players.
- ? High packaging cost.
- ? As the Fruits & Vegetables are perishable in nature, there is always a pressure of early disposal.

DISCUSSION ON FINANCIAL AND OPERATION PERFORMANCE:

During the year under review, the financial statements are prepared in accordance with Indian Accounting Standards (ind AS) .

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In association with, The Agricultural Marketing Department of The Telangana State Govt , the company is handling the MANAKURAGAYALU PROJECT and is operating nine out lets for sale of Vegetables/fruits/ Dairy items.

Segment - wise or product – wise performance:

The Company as of now operates in one major segment - agricultural products.

Outlook:

The market for the agricultural products is growing and the Company is poised to take advantage of the market developments.

Our company also planning Agri & allied exports, agri related software Developments, commodity trading to improve the revenue. In addition our Company concentrates post – harvesting development.

Risks and concerns:

The Company is exposed to various risks and uncertainties in the normal course of the business that can cause variations in the results from operations and affect the financial condition. The Company is viewing effective risk management as an integral part of delivering of superior returns to shareholders. Principal risks and uncertainties facing the business are as below:

- 1) A significant portion of the company's revenues are generated from the sale of fruits and Vegetables.
- 2) Any change in the consumption of fruits and Vegetables or reduction in demand or change in the price could adversely affect the company's operations and profitability.
- 3) Cultivation is seasonal in nature. Anomalies in the weather condition during that period can have significant impact on the crop, and in turn affect the operating performance.

The business is directly dependent upon the availability of Fruits & Vegetables which is cultivated by the farmers, Any decrease in the area of cultivation by the farmers may result in reduced supply and could also limit ability to process, transport, store and merchandise the product in an efficient manner. Should this occur, the company will face the possibility of reduced revenue during that season without the opportunity to recover until the following season.

Internal control systems and their adequacy:

The Company has adequate internal controls commensurate with its activity and size of operations.

Discussion on financial performance with respect to operational performance:

During the year under review, your Company has made a Turnover of Rs1228.12 Lakhs as against Rs1508.15 Lakhs and gained a profit of Rs. 24.80 Lakhs as against loss of Rs42.67 Lakhs for the previous year.

Material development in Human Resource & Industrial Relations:

There are no significant developments in human resources and number of people employed. However, all our efforts were



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made to retain the talent and improve the productivity.

### Cautionary Statement

The management of Genera Agri Corp Limited has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, include amounts based on informed judgments and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws under regulations. The management has based these forward-looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in the political and the economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

