



**ANNEXURE D**

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

The core business of your company is marketing of Noni based herbal Nutraceutical Fruit Juice products under the Brand Name of "Divine Noni"

**a) Cautionary Statement :**

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

**Overview**

The following operating and financial review intended to convey the management's prospective on the financial and operating performance of the company as at the end of financial year 2018-19. This should be read in conjunction with the company's financial statement, the schedules and notes thereto and the other information included elsewhere in the annual Report. The company's financial statements have been prepared in compliance with the requirements of the companies act 2013, the guidelines issued by the Securities and Exchange board of India (SEBI) and the generally accepted Accounting Principles (GAAP) in India.

**b) Financial Results :**

The Company achieved a turnover of Rs. 879.29 Lakhs during the current year as against Rs. 356.91 lakhs during the same period of previous year. This generated an overall net profit of Rs. 75.83 Lakhs for the financial year under review.

In the first Quarter of Financial year 2019-20, the company has achieved sales of Rs. 214.63 lakhs.as against Rs. 202.26 lakhs during the same period.

**Economic scenario :**

India has emerged as the fastest growing major economy in the world as per Central Statistics Organisation (CSO) and International Monetary Fund (IMF). India will be the fastest growing major economy in 2018, with a growth rate of 7.4% that rises to 7.8% in 2019 with medium-term prospects remaining positive.

As per a report from Ministry of Food Processing Industries of India (MOFPI), EY and the Confederation of Indian Industry (CII) F&B Industries of India is growing at a large scale. India is one of the fastest growing economies in the world, therefore demonstrating a strong business case for the global F&B industry. They can establish presence or plan on expanding operations in India as various segments of the Indian F&B industry will continue to witness tremendous growth in the foreseeable future. Food Safety and Standards Authority of India (FSSAI) aligning itself with Codex Alimentarius (literally, food code) international food standards, and so on. This reflects the government's positive outlook, and a clear intent to develop the sector.

**Government initiatives**

This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country.



The World Bank has stated that private investments in India is expected to grow more than expected in FY 2018-19 to overtake private consumption growth, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 436- 467 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

### **Opportunities and Risks**

Private consumption combined with ongoing structural reforms are expected to continue to boost economic activity in India. More transparent regulatory environment and evolving food laws are making India emerge as an attractive business destination, creating opportunities for investment and growth especially in the processed foods sector.

Consumers in India are fast evolving; they are young, aspirational and have higher disposable income. The young India is more health and fitness conscious. Rise in lifestyle diseases has also prompted the Indian consumers to evaluate their food habits more closely and make lifestyle changes, where required.

### **c) Business Overview & Outlook**

The continued efforts to develop the business should stand it in good stead. However, the inflation prevailing within the country and continuous increase in raw materials costs have a significant role to play in the actual performance.

The Board has satisfied the current performance of the company for the year ended 31-3-2019. During this period the company's products gained well satisfied reports from the ultimate customers.

The company has taken lot of measures to boost the sales for the current financial year and the company is expected to make good profit in future also.

During this year the company has appointed Mother Stockiest and new Distributors for marketing the company's products nationwide by way of marketing the product through various channels.

### **FOREIGN EXCHANGE EARNINGS**

During this year the company has earned foreign Exchange Earning by way of sale of products to overseas for Rs. 140.77 lakhs.

The company is in the process of selling the product at overseas also.

Your Company remains focused on establishing itself as the 'most trusted provider of food supplementary products in the Indian market' driven by superior product quality, a differentiated product portfolio, deep understanding of consumer needs and preferences, R&D, innovation and operational excellence across the value chain.

The Business will continue to sharpen its design focus, market representation and supply chain responsiveness with a view to improving operating efficiency going forward.

The Brand "DIVINE NONI" has reached all sector of the people of the Nation and proud say that company product itself a health enhancer fruit juice and wholly welcomed by all.



**d) Risks and Concerns**

In any business, risks and prospects are inseparable. As a responsible management, the Company's endeavor is to maximize returns. The Company continues to take all steps necessary to minimize its expenses through detailed studies and interaction with experts.

**e) Internal Control Systems and their Adequacy :**

The company has proper and adequate internal control system to ensure that all the assets are safe guarded and that all transactions are authorized, recorded and reported correctly. Regular internal audits and check are carried out to ensure that the responsibilities are executed systems and procedures to ensure the efficient conduct of business. The audit committee of the board oversees the internal controls within the organizational Safeguarding Assets and their usage.

The Company has an adequate system of internal controls to ensure that transactions are properly authorized, recorded, and reported, apart from safeguarding its assets.

The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board.

In order to foster an improved internal control culture in the Company, wherein every employee is fully aware of all the major risk/controls faced in his / her work sphere and assumes responsibility for the controls performed therein, the Company has inter alia implemented a tool called "Controls Manager" which works on the basic concept of Control Self-Assessment. The Self-Assessments by process / control owner are also used as the basis of CFO certification as required under Regulation 17(8) of the Listing Regulations.

Your Company has a favorable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity. As part of manpower development and training and with an aim to enhance operational efficiency, employees of the Company have been given both online and offline training and sent on postings and assignments to the other Divine Noni Group companies.

**f) Financial and Operational Performance :**

The details are already furnished under Financial summary or highlights/ Performance of the company.

**g) Human Resources Development and Industrial Relations :**

The Company for its employees are offering various incentive and other welfare schemes to motivate the employees. The Company's relationship with its work force is cordial.

Place : Chennai  
Date : 14-08-2019

By Order of the Board  
for WELLNESS NONI LIMITED

Sd/-  
S. Kala  
Managing Director