

<b>MANAGEMENT DISCUSSION AND ANALYSIS</b>
---

**INDUSTRY SCENARIO AND STRUCTURE.**

Global growth in 2015 was lower than initially expected, continuing a pattern of disappointing outturns over past several years. At the same time, demand for oil has weakened due to the slowdown in China and the persistent sluggishness of the Euro zone and Japan.

The Hon,ble Government has grate support in the development of Textile Sector in India, despite of competition from abroad, the Textile industry has made significant inroads into international Market

**OPPORTUNITIES**

Textile policy introduced by the Indian Government will have substantial effect on the growth of the industry. The present policy of the Government is also support the industries in general and frame an environment to come out from the effects of depression as fast as possible.

Raw material prices are depend upon the fluctuation in the crude oil prices in international market as well as domestic market, since raw material are petro product Other inputs cost such as energy, transportation, packing materials are also affected to large extent.

The Hon,ble Government has taken an economic approach that has been influenced, in part by the Socialist movements. The Indian national Government has introduced high and authoritative level of control over certain areas of the Indian economic and also welcome the participation of the Private sector, foreign direct investment and foreign Trade.

**HUMAN RESOURCES / INDUSTRIAL RELATION**

Your Company has successful in maintaining the cordial and peaceful relationship with the employees at all level and in reciprocation it has received wholehearted support at all levels of operations from all employees. The Cordial and peaceful relationship prevails with all employees

**ENERGY CONSERVATION**

Saving in electricity, fuel and power consumption receive due attention of the management on a continuous basis which are also the big factor of cost reduction on all the areas of undertaking. The cost department are depend upon this data and give the correct report to the management

**OUTLOOK**

The Company is in the process of improving quality of Nylon yarns along with Polyester yarn which is depend upon the demand of the finished goods in textile Industries all over India and up countries in which constant development is required in the field of yarn and domestic markets and concentration on products yielding high margins are expected to increase margins of profits.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal controls procedure commensurate with the size of the Company and the nature of its business to keep check on the activities at all levels.

The Company has also implement internal control system to look after this procedure and give the report to the management and after regularly reviewed by the management and corrective measures are timely taken for improving efficiency.