

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns:**

Over the years, the Company has developed considerable design capability to manufacture sophisticated Fluid Energy Mills incorporating modern Instrumentation and Controls. The Company therefore enjoys a good reputation with customers requiring these sophisticated machines.

However, there is an extensive market for these mills with the Bulk Drug, Pesticides, Minerals and Chemicals industries, which require less sophisticated and economical machines. The Company will be making special thrust to design suitable mills to exploit these markets.

b) Internal Control Systems and their Adequacy

The Company has adequate internal control systems and procedures in all operational areas and at all levels such as manufacturing, procurement, finance, administration, marketing and HR departments. The Company also has Internal Audit systems commensurate with its size and nature of business. The internal audit function will be done by a firm of Chartered Accountants. The Audit committee reviews the internal audit reports and the adequacy of internal controls from time to time.

c) Financial and Operational Performance:

The Highlights of Financial Operational Performance are given below: (Rs. in Lakhs)

Particulars	2018 - 19	2017 - 18
Total Income	61.93	97.59
Total Expenditure	74.07	92.34
Profit before Tax	(12.14)	5.24
Add : Provision for taxation	0.55	-
Net Profit/(Loss) after Tax	(12.69)	5.24

d) Human Resources Development and Industrial Relations:

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary assistance to improve their skills.

Industrial relations during the year were cordial and the Company is committed to maintain the same in future.