

12	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> • Terms and conditions of appointment of Independent Directors • Composition of various Committees of Board of Directors • Code of Business Conduct and Ethics for Directors and Management Personnel • Details of establishment of Vigil Mechanism/ Whistle Blower Policy • Policy on dealing with Related Party Transactions • Details of familiarization programmes imparted to Independent Directors
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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year ended 31st March, 2018 as stipulated under Regulation 34 (2) (e) read with Schedule V of SEBI (LODR) Regulations 2015 have been included in consonance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company.

Economic Overview:

The operation of the company during majority of the year was mainly centered in Textiles Industry, Finance Business and Share Trading. The company was dealing in Lending, Advancing and Depositing Money in Industrial and other Undertakings and Businesses and to deal in acquiring, selling, subscribing, transferring, holding, disposing, and otherwise dealing and investing in shares, securities, movables, etc.

The wheels of change continued to roll in the country with the launch of the Goods and Services Tax (GST) and the Real Estate Development and Regulation Act (RERA). While the GST would be a long-term positive for the economy, it had its initial implementation issues and the overall economy bore the brunt of the changes with traders and Medium and Small Scale Enterprises (MSME) getting adversely affected.

The Indian economy posted a growth of 6.6% in FY2017-18 compared to 7.1% in FY2016-17, as the first round of effects of demonetization and the implementation of GST played out. However, a host of other policies, implemented during and before FY 2017-18 - such as the Insolvency and Bankruptcy Code, reforms in the real estate sector in the form of RERA, allowing of FDI in various industries, fast-

tracking of project clearances, various measures for financial inclusion, etc. - are expected to propel growth upwards, going forward. While the IMF projects that India's GDP will increase at 7.4% in FY 2019 and 7.8% in FY2020, the World Bank expects growth to reach 7.3% in FY2019 and rise further to 7.5% in FY 2020

The Indian textiles industry is among the oldest in the country. It is projected to reach USD 230 billion by 2020 from around USD 120 billion. Currently, the domestic textiles industry contributes 10% to the manufacturing output of the country, generates about 4% to its GDP and employs more than 45 million people. Importantly, the sector contributes 15% to the export earnings of India. Mitigating the repercussions of currency fluctuation remains a challenge. Exports have been a core feature of India's textile sector. The Indian textiles export market, estimated at \$18 billion, is expected to grow at a CAGR of 4% compared to the global CAGR of 3% over 2016-26.

The textile Industry, in general, had a negative impact due to the after effects of structural transformation that took place in the form of implementation of demonetization and GST. Further, post GST, import duty has come down sharply, thus making imports cheaper for the domestic industry which has placed pressure on selling prices for the textile industry as a whole. Consumers' preference to go in for e-commerce / on-line sales and reduction in export benefits have reduced margins, thus hindering the promotion of exports.

Segment-wise Performance

The Company operates in two reportable segments i.e. Commodity Business and Finance & Share Trading Activities. The Business Segments has been identified as separate segment in accordance with Accounting Standard 17 'Segment Reporting'.

Risk & Concerns:

Risk is an inherent part of any business. There are various types of risks that threaten the existence of a company like Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Strategic Risk, Regulation Risk etc. Your Company aims at enhancing and maximizing shareholders value by achieving

appropriate trade-off between risk & returns.

China's slow investment in textiles and shift to high tech industries will have a positive impact on Indian exports in the coming years.

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization with increasing integration of markets, newer and more complex products and transactions and an increasingly stringent regulatory framework has exposed organizations to and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success.

Risk Management:

Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business.

The Company has a robust Risk Management Policy and Procedure in place for effective identification and monitoring of risks and implementation of mitigation plans. The Risk Management Committee reviews and monitors the identified risks and mitigation plans at regular interval.

The Audit Committee has been periodically reviewing the risk profile of the Company and evaluating the adherence by the branches / functions of the systems and processes in place for monitoring, evaluation, assessment and mitigation of risk through a systematic and effective audit programme. The observations of Audit Committee, if any, on the risk management are reported to the board.

Opportunities and Threats:

Growth of the company's asset book, quality of assets and ability to raise funds depends significantly on economy. Unfavorable events in the Indian economy can affect consumer sentiments and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial service providers, unstable political environment, changes in government policies/ regulatory framework could impact the company's operations.

Further, USA's withdrawal from Trans-Pacific Partnership (TPP) and chances of termination of North American Free Trade Agreement (NAFTA) between USA - Canada - Mexico for free trade will increase their cost due to application of import duties amongst their countries. Consequently, Indian industry should have opportunity to promote its own exports. The international brands who have multiple sources to cover fabrics and convert into garments for retailing in

India at better prices will make it difficult for Indian textile industry to compete with them apart from e-commerce / online business and cheaper imports.

Internal Control Systems and their Adequacy:

Internal control systems are embedded in the processes across all functions in the Company. These systems are being regularly reviewed and wherever necessary are modified or redesigned to ensure better efficiency and effectiveness. The systems are subjected to supervision by the Board of Directors and the Audit Committee, duly supported by Corporate Governance.

The company Complies with all the applicable statutes, policies, procedures, listing requirements and management guidelines. It Adheres to applicable accounting standards and polices.

Human Resources:

- ❖ The Management believes in maintaining cordial relations with its employees. The management recognizes the importance of Human Resources and effective steps will be taken to strengthen the same depending on the requirements.
- ❖ The Company provided excellent working environment so that the individual staff can reach his/her full potential.
- ❖ The Company is poised to take on the challenges and march towards accomplishing its mission with success.
- ❖ The Company maintained good Industrial/Business relation in market which enhanced the creditworthiness of the Company.

Outlook:

The financial year 2018-19 could well be the period that witnesses a strong and sustained economic upsurge. The outlook of the company for the year ahead is to diversify risk and stabilize its asset quality. The company will adopt a cautious approach and focus on customer relationships. Improvement in growth conditions in the second half of FY2017-18 indicates normalisation of the supply chain, which was disrupted on account of demonetisation and GST implementation.

Cautionary Statement:

Statement in the Management Discussion and Analysis describing the Company's objectives, exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, Government regulations and taxation, natural calamities etc. over which the company does not have any control.