

## ANNEXURE I

### MANAGEMENT DISCUSSION AND ANALYSIS

#### **I. Economy**

“It was absolutely clear that the economy is in recovery mode” so said by Finance Minister Mr. Arun Jaitley in his speech on 30<sup>th</sup> May 2015 after data showed that the economy grew at 7.3 per cent in 2014-15. The country posted a 7.5 per cent growth in the January to March quarter of the fiscal, outpacing China’s GDP of 7 per cent in that quarter.

India is the second largest producer of textiles and garments in the World. The Indian textiles and apparel industry is expected to grow to a size of US \$ 100 Billion by 2016-17 as per Government statistics. With availability of sufficient raw materials like wool, silk and jute as well as skilled work force have made the country Textile Hub.

The Textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14% to industrial production, 4% to the gross domestic product and 27% to the country’s foreign exchange inflows. It provides direct employment to over 45 million people. Thus the growth and all round development of this industry has a direct bearing on the improvement of the India’s economy.

The Ministry of Textiles, Government of India plans to enter into an agreement with flipkart to provide an online platform to handloom weavers to sell their products. Detailed arrangement for purchase of cotton from the farmers by the Cotton Corporation of India Ltd under the minimum support price operation was monitored. 343 purchase centers were finalized in consultation with State Governments after meetings with officers of CCI and the Cotton producing states, resulting in streamlining of operations.

#### **Over view of Company’s Business during the year**

During the year company has geared up its business in to textile industry with annual turnover of Rs. 209.55 lakhs which is lower by 2149.66 lakhs compared to previous year 2016-17. However due to competitive market condition, Company was unable to gain expected level of profit.

#### **II. Risks and concerns:**

- Presence of number of traders in the market creates a healthy competition in the market.
- Inferior quality of textile material restricts the progress of Company.
- Certain macro risks such as economic slowdown and uncertainty in demand may impact the performance of Company.

#### **III. Internal Control System**

The Company has an adequate system of Internal Controls aimed at achieving efficiency in operations, optimum utilization of resources and compliance with all applicable laws and regulations. The observations and recommendations following such audit, for improvement of the business operations and their implementation are reviewed by the Audit Committee.

#### **IV. CAUTIONARY STATEMENT:**

Certain statements in Management Discussion and Analysis Report describing the Company's analysis and interpretations are forward looking and may vary from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent development or events.

### **REPORT ON CORPORATE GOVERNANCE**

#### **I. Company's Philosophy on Code of Governance:**

The Company is committed to good corporate governance, envisages Commitment of the Company towards the attainment of high level of transparency, accountability and business propriety with the ultimate objective of increasing long terms shareholders value, keeping in view the needs and interest of all the stakeholders.

The provisions of Regulation 17 to 27 of SEBI (LODR) Regulation 2015 are not applicable to the Company as the Net Worth of the Company was less than INR 25 Crores and the Capital of the Company was less than INR 10 Crores during the year 2017 18.

#### **II. Board of Directors and Composition:**

During the year the board of the Company is composed of experienced Directors.

The composition of the Board is in conformity with provisions of Section 149 of the Act. As on 31<sup>st</sup> March, 2018, the Board comprised of 3 Directors, who brings in a wide range of skills and experience to the Board. The Chairman is Executive Director, one Non Executive Professional Director and one Independent Director.

During the year, Five Board Meetings were held. The dates on which the meetings were held are as follows: 10.04.2017, 24.05.2017, 14.08.2017, 21.08.2017, 14.12.2018, 14.02.2018 and 25.03.2018. The maximum time gap between any two meetings was not more than four calendar months. None of the directors of the company was a member of more than 10 committees nor was the chairman of more than 5 committees across all companies in which he/she was a director. The Composition of the Board during the year and their attendance record was as under:

Sr. No	Name of Director	Designation	Attendance Particulars		Total Nos. of other Directorship and Committee Membership			
			BM	AGM	Directorship		Memberships	
					Pub.	Pvt.	Pub.	Pvt.
1	Naman Shah	D	7	1	-	1	-	-
2	Maneklal Patel	NED	7	1	1	1	-	-
3	Kalaben Sharma	WID	7	1	-	1	-	-

D – Director, ID – Independent Director, WID – Woman Independent Director, NED – Non Executive Director.