
**ANNEXURE - III
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

INDUSTRY STRUCTURE AND DEVELOPMENTS

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

OPPORTUNITIES AND THREATS

Sweden is interested in smart cities development in India and has put forward a Common Plan of Action for developing sustainable and environment-friendly public transport solutions and solid waste management for the smart cities under development.

The Ambassador of Japan to India, Mr. Kenji Hiramatsu, has conveyed Government of Japan's inclination to invest and offer any other feasible support for various ongoing as well as upcoming development and infrastructure projects in the North-Eastern region of India.

The Government of India along with the State Governments has taken several initiatives to encourage the development in the construction/real estate sector. Foreign Direct Investment (FDI) in the construction development sector, passing of Real Estate Bill etc. are the prime opportunities available in the years to come.

THREATS:

- Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector.
- Substantial procedural delays with regards to land acquisition, land use, approvals. Retrospective policy changes and regulatory bottlenecks may impact attractiveness of the sector and companies operating within the sector.
- Real estate industry is capital intensive sector which require high capital and in present scenario it is challenge in front of management to arrange for the funds requirement.

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

During the year under review, your Company has not generated the revenue from operations. However, your Company has registered 9.00 Lacs revenue from other income. Your Directors are strongly believes that in the coming financial year, your Company will be able to do profitable business and will resort for better financial results.

OUTLOOK

As per the first advance estimates of the CSO, growth rate of the industrial sector comprising mining & quarrying, manufacturing, electricity and construction is projected to decline from 7.4 per cent in 2015-16 to 5.2 per cent in 2016-17. During April - November 2016-17, a modest growth of 0.4 per cent has been observed in the Index of Industrial Production (IIP) which is a volume index with base year of 2004-05. This was the composite effect of a strong growth in electricity generation and moderation in mining and manufacturing. In terms of use-based classification, basic goods, intermediate goods and consumer durable goods attained moderate growth. Conversely, the production of capital goods declined steeply and consumer nondurable goods sectors suffered a modest contraction during April-November 2016-17

The simple fact of quality infrastructure requirement of the Country is the long term growth driver for the construction sector. The construction industry has been witness to a strong growth wave powered by large spends on housing, road, water supply, urban transformation etc. To put things in perspective, the total investment in infrastructure is estimated to have increased significantly.

RISK AND CONCERN

The risks faced by the Company are categorized into strategic, financial, operational and compliance risks. In view of the changing business environment, the Company has Risk Management Policy to protect the abovementioned risk. Some of the risk that may arise its normal course of its business and impact its ability for future developments inter alia include credit risk, liquidity risk, market risk etc.

Your Company has established a framework and process to monitor the exposures to implement appropriate measures in a timely and effective manner.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all transactions are authorised, recorded and reported correctly and adequately. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial & other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the company on periodical basis.

HUMAN RESOURCES

Your Company firmly believes that a motivated and empowered employee is the key to competitive advantage. At present your company has adequate human resources which is commensurate with the current volume of Business activity and is reviewed by the management periodically and the company would induct competent personnel on increase/ expansion of the Business activity. Your Company's employee value proposition is based on a strong focus on employee development, an exciting work culture, performance and empowerment. Processes such as performance improvement, talent management and competency management are platforms for individual development.

