

MANAGEMENT DISCUSSION & ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The industry is facing lots of constraints. The margins are reduced to lowest level and stiff competition from un-organised sector and local players adversely affected the turnover. The management is of the view that any investment and expansion in the present lying of Plastics will not provide any better results. The Company has continued its effort in product innovation considering the changing consumer preference

OPPORTUNITIES AND THREATS:**Opportunities:**

The government of India is trying to set up the economic reforms to elevate and boost the plastic industry by joint venturing, foreign investments.

Threats:

Environmental regulations and plastic waste management infrastructure are the major challenges faced by the Company. Your Company is making all its efforts to meet environment compliance and adopting various policies to avoid plastic waste.

OUTLOOK:

The Company is diversifying its presence in Rural market through strong distribution network. The Company is also exploring the potential in the international market.

RISKS AND CONCERNS

Competition from the unorganised small scale sector via cut-throat competition from the new entrants in the market, thereby squeezing the Company's profit margins.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate system of internal controls that ensures that all assets are protected against loss from unauthorised use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting principles.

HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

Your company maintains very cordial relations with its customers and suppliers. Your company has earned a good standing over the years and there are zero contentious issues pending as on date. The organization maintains harmonious relations at all levels within the company and employees are well motivated round the year to meet the goals set for them.. Your Company is continuously striving to create appropriate environment, opportunities and systems to facilitate identification, development, and utilization of their full potential and inculcating a sense of belongingness. Your Company's industrial relations continued to be harmonious during the year under review.

**By order of the Board
For INNOCORP LIMITED**

**Sd/-
Prasad V S S Garapati
Chairman and Director
DIN:- 00209436**

**Sd/-
Venu Garapati
Managing Director
DIN:- 07148611**

Place: Hyderabad
Date : 13th August 2019