

Management Discussion and Analysis

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.

CAVEAT

Under this section of the Annual Report 2019-20 in adherence to the rules and regulations as mandated by the Securities and Exchange Board of India, we would like to provide a statutory warning to the stakeholders and readers alike. The projections listed here along with describing the Company's objectives and approximate estimate may be forward looking in the current scenario and set in the framework meaning of applicable securities laws and regulations. Actual results, performances, achievements or subsequence of events may differ materially from those expressed or implied. The case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Therefore, all concerned are requested to caution themselves from putting undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regards to their own specific objective. Furthermore, the discussion following herein reflects the perception on major issues that could influence the Company's operations' substantial downside risks are as on date and the opinions expressed herewith are subjected to change without prior notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward- looking statements expressed in this report, consequent to any new information, future events or otherwise.

Along with predictions of the future based on the foundation of existing scenario, the company presents its annual report for the year 2018-2019.

INDUSTRY STRUCTURE AND DEVELOPMENT:

India's economy is expected to witness rational growth in FY 2019-20. The Company is in business of trading of various Steel Products, IT and electronic products and also into various IT enabled services. Business conditions continue to be challenging. The growth of the Company is subject to opportunities and threats as are applicable to the industry from time to time. As per World Steel Association, crude steel production in India increased by 5.3 % in 2018 as compared to 2017. Indian IT's core competencies and strengths have attracted significant investments from major countries. Despite the challenges such as the continued technology slowdown in the global market, strong fundamentals and core value position of the software and services industry led to outperforming all other sectors in the country.

Opportunities & Threats:

Business conditions continue to be challenging. The growth of the Company is subject to opportunities and threats as are applicable to the industry from time to time such as:

- Abundant resources of iron ore
- Low cost and efficient labour force
- Strong managerial capability
- Strongly globalised industry and emerging global competitiveness
- Economies of scale

Threats for the company can be illustrated as below:

- Global economic slow down
- Market fluctuations
- Change in government policies and regulations
- Dumping of steel by developed countries
- Higher duties and taxes

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

Details on segment wise performance of the Company is provided separately in Notes to Accounts.

OUTLOOK, RISKS & CONCERNS:

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action. Risks are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

EMERGENCE OF COVID-19

The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Operations of the Company had been closed down w.e.f. 26th March, 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company’s management has made initial assessment of likely adverse impact on business and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used corroborative information. The company believe that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long-term risks in the Company’s ability to continue as a going concern and meeting its liabilities as and when they fall due.

INTERNAL CONTROL SYSTEM:

Your Company has clearly laid down policies, guidelines and procedures that form part of the internal control system which provide for automatic checks and balances. All operating parameters are monitored and controlled. Regular internal audit and checks ensure the effectiveness and efficiency of these systems to ensure that all assets are protected against loss and that the financial and operational information is complete and accurate.

CEO AND CFO CERTIFICATION:

Mr. Pradip B. Shah, Managing Director, has given certificate to the Board as contemplated in SEBI Listing Regulations.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION:

Your Company has complied with all the applicable environmental laws and labor laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

FINANCIAL OVERVIEW

The Group’s financial performances for the year under review along with previous year’s figures are given hereunder:

PARTICULARS	(Rs. In Lacs)			
	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	0.00	268.22	825.79	668.52
Other Income	0.00	0.67	58.78	15.86
Total Revenue	0.00	268.89	884.57	684.38
Profit (Loss) Before Taxation	(13.02)	(10.99)	(190.33)	(14.82)
Tax Expense	0.00	0.00	(50.43)	(2.54)
Profit/(Loss) for the period after tax and minority interest	(13.02)	(10.99)	(139.90)	(12.28)
Other comprehensive income	0.00	0.00	0.00	0.00
Total comprehensive income (after tax)	(13.02)	(10.99)	(139.90)	(12.28)

In accordance with the SEBI (Listing Obligations Disclosure Requirements 2018) Amendment Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector- specific financial ratios along with detailed explanations.

PARTICULARS	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Debtors Turnover	0	2.75	3.09	1.85
Inventory Turnover	0	--	2.52	1.25
Interest Coverage Ratio	--	-28.91	-4.81	0.53
Current Ratio	0.25	0.88	0.55	0.95
Debt Equity Ratio	0.22	0.11	3.54	2.52
Operating Profit Margin (%)	--	-0.04	-23.04	-0.04
Net Profit Margin (%)	--	-0.04	-49.45	-1.85
Return on net worth	-0.06	-0.04	-131.01	-5.18

HUMAN RESOURCE DEVELOPMENT

The business strongly believes that people are the prime assets of the organization, and implements new initiatives to train and motivate them. A major part of the company strategy is satiated towards our employees whose relentless support and devotion took our company to great heights. As on 31st March, 2020, the employee strength of the Company was 2 excluding trainees.

