

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Over the years Indian IT & ITes industry has improved and developed as a sophisticated market place with modern facilities and amenities. With dedicated regulators, the functions have become systematic and controlled providing depth & discipline to the industry structure. Your Company is one of the intermediaries in a web based business segment. With India, being one of the favoured investment destination, business structure is bound to become more & more sophisticated with latest technologies.

International Monetary Fund's (IMF) World Economic Outlook anticipated a pick-up in global growth. Growth in 'IT industry' is expected to be driven by the projects in digital business, Blockchain, Internet of Things (IoT) and progression from Big Data to algorithms to Machine Learning to Artificial Intelligence (AI).

OPPORTUNITIES & THREATS

India has been considered as a favorite business destination by many foreign investors. The fundamental growth drivers of the country's economy as well as our company continue to remain strong. There are pressures of rising uproar over outsourcing in the developed markets, operational level challenges like wage inflation and attrition, but industry has always been resilient and agile to transform itself to overcome the challenges. Another challenge that the industry going through is the advent and application of mobile technologies

For the time being considering overall conditions in the industry, your company deem that viable option is to concentrate on the business of investments & securities trading through its subsidiary, and look for other opportunities.

SEGMENT-WISE PERFORMANCE

The income of the Company comprises of dividend received on investment in the subsidiary. On a consolidated basis income further comprises of dividend, interest, profits in securities trading. During the current year income from core activities was NIL, whereas the income on consolidated basis was relatively low.

OUTLOOK

The outlook for the current financial year predominantly depends upon capital markets as major revenue is generated by its subsidiary, which is engaged in capital markets operations.

RISKS & CONCERNS

The size of operation of your Company has always been a concern as IT & ITes player, as the industry is moving towards institutionalization. Primary market is dominated by few large players and it is increasingly difficult for small & mid cap entities to penetrate.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has developed formal and well-structured internal control systems to conduct the business within the framework of Regulations. The present structure & systems are adequate and commensurate to the size of operations of your company.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial year 2017-18, your company was unable procure any business in IT & ITes business, the only income it had was in form of dividend received from subsidiary. On consolidated front revenue is at ₹ 370.80 lakhs against the previous year of ₹ 641.34 lakhs, whereas consolidated profits stood at ₹ 65.89 lakhs as against ₹ 179.18 lakhs in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT :

There are no material developments in human resources /industrial relations front.

DISCLOSURE OF ACCOUNTING TREATMENT

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013, your Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2017, with comparative financials for the earlier period beginning April 1, 2016.

FORWARD-LOOKING STATEMENTS:

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements.