

# TRANS FINANCIAL RESOURCE LIMITED

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## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. OVERALL REVIEW ON INDUSTRY STRUCTURE & DEVELOPMENTS:

The Company is currently engaged in construction and engineering business activity. The overall performance during the financial year 2018-19 has been satisfactory.

### 2. OPPORTUNITY & THREATS:

**Policy Regulations:** The government has launched several key policies for the real estate sector. Some of these are Exemption under Income Tax Act for purchase of second house, RERA, Benami Transactions Act, boost to affordable housing construction, interest subsidy to homebuyers, change in arbitration norms. To boost this segment, the government has doled out various tax incentives and other reforms.

**Increase in input cost:** Real Estate is a capital and labour intensive industry, thus a rise in cost of labour coupled with shortage creates issues in development of the project.

**Shortage of skills and technology:** Real estate is grappling with shortage of skilled professionals, which many times results in project delay. For, faster completion of projects, it is imperative to invest in skill development and training of primary construction workers.

### 3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

On the basis of the principles for determination of segments given in Indian Accounting Standard 108 "Operating Segments " and in the opinion of management, the Company is primarily engaged in the business of Construction & Engineering. Accordingly segment wise disclosure of performance is not applicable to the Company.

### 4. BUSINESS OUTLOOK:

The Company has achieved higher turnover as compare to the previous financial year and it further expects growth of the company in future. The constant efforts of the Company and Research and Developments will lead the Company to the higher level.

### 5. RISK & CONCERN:

The building, plant and machinery, vehicle and stocks of the company are adequately insured.

### 6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

### 7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

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Total turnover for the year ended 31<sup>st</sup> March, 2019 was Rs. 529.00 lakhs. Better working capital management was also one of the emphasis on which proper weightage was laid upon.

## 8. HUMAN RESOURCE DEVELOPMENT:

Your Company treats its “Human Resources” as one of its most significant assets. The Company continues its focus on retention through employee engagement initiatives and provides a holistic environment where employees get opportunities to realize their potential. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Company’s Health and Safety Policy commits to provide a healthy and safe work environment to all employees.

## 9. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING:

<u>Ratio</u>	<u>2018-19</u>	<u>2017-18</u>
Debtors Turnover	184.67	1377.68
Inventory Turnover	45.97	NIL
Interest Coverage Ratio	NIL	NIL
Current Ratio	0.89	1.03
Debt Equity Ratio	N.A.	N.A.
Operating Profit Margin (%)	-145.71%	-30.40%
Net Profit Margin (%)	-148.16%	-30.39%

## 10. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

The return on net worth is negative in current year and previous financial year. The company expects its construction income to increase significantly in the current year resulting into improved performance.

## 11. BUSINESS ENVIRONMENT:

The Company is working under good business environment.

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## **12. CAUTIONARY STATEMENT:**

Statements in this report on management Discussion and analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a different to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibilities in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of event.

**Place: AHMEDABAD**  
**Date: 14/08/2019**

**BY ORDER OF THE BOARD OF DIRECTORS,  
FOR, TRANS FINANCIAL RESOURCES LIMITED**

sd/-  
**MR. JAIMINKUMAR SHAH**  
**DIRECTOR**  
**(DIN: 06920281)**