
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion & Analysis Report pursuant to Regulation 34(3) and 53(f).

1. Industry Structure and Development:

The Company's products can be classified under the Textile Products. The Company is taking all necessary steps to maximize the profitability of the Company.

2. Opportunities and Threats:

Our product is intermediary product for user industries and the development will be based on dependent other industries. The Company is making continuous efforts to trading different grades of products to meet the requirement of its customers. The Company is making efforts for exploring other avenues to increase its sales of different varieties of Garments. Any changes in international price of its products and fluctuations in foreign exchange will have effect on the profitability of the Company.

3. Segment or Product wise performance:

The Company operates in single business segment i.e. Textile comprising cotton, yarn, fabrics etc.

4. Outlook:

The outlook for the Company appears bright on a long term basis. The Company is hopeful that its performance in the years to come would be encouraging, as the Company is planning to start the trading in bullion & textile garments in national as well as international market.

5. Risk Management:

The Company is exposed to a number of risks. Some key risks have been mentioned below:

1. The Raw material prices are market driven being an agricultural product and any natural calamity such as drought/ flood will affect the profitability of the Company.
2. Any change in the fashion will also have bearing on the profitability of the Company.

6. Internal Control Systems and their adequacy:

The company has adequate systems of internal control covering all financial and operational activities. The internal control are designed to provide reasonable assurance with regard to maintaining proper accounting controls, protecting assets from unauthorized losses and ensuring reliability of financial and operational information and proper compliance with regulations. In the opinion of the Board, an internal control system adequate to the size of the Company is in place.

7. Financial Performance:

For the financial year Net operational loss for the company is Rs. (129.59 lacs) as compare to Rs. 158.70 lacs during the previous year.

8. Human Resource / Industrial Relations:

The Company is regularly conducting seminars and workshops to improve the safety. The Company is deputing employees for attending seminars, for updating their skills and knowledge.

CORPORATE GOVERNANCE REPORT

In the line with the requirement for providing a 'Report on Corporate Governance' as per Schedule V: Annual Report[Regulation 34(3) and 53(f)] of Listing Regulations with the Stock Exchange given herein below is a report on the Company's Corporate Governance norms.

1. Company's Philosophy on Code of Governance:

Corporate Governance is all about commitment to values and ethical business conduct. The Company believes in setting the highest standards in good and ethical corporate governance practices. The Company's philosophy on Corporate Governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, Banks and the Government while maintaining steady focus for creation of wealth for shareholders on sustainable basis. The Company is managed by the Managing Director under the supervision and control of the Board of Directors. Corporate Governance in the Company is a systematic process by which Company is directed and controlled to enhance its wealth generating capacity.

2. Board of Directors

In compliance of with the requirements of the Listing Regulations, the Company has optimum combination of Executive & Non – Executive Directors. The number of non – executive director is more than 50% of the total number of directors. The Company is headed by 7 (seven) Directors amongst which there are 4 (four) Independent Directors

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors.

a. Disclosure of relationship between Directors

Disclosure of relationship between Directors to each other in accordance with the section 2 (77) read with rule 4 of the Companies (Specification of Definition Details) Rules, 2014 of the Companies Act, 2013 is as follows :