CORDS™

Annual Report 2015-16

CORDS CABLE INDUSTRIES LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Naveen Sawhney	Managing Director
Mr. Sanjeev Kumar	Whole Time Director
Mr. Vijay Kumar	Non -Executive Director
Mr. Vimal Dev Monga	Non -Executive Director
Mrs. Asha Bhandari	Non -Executive Director

MANAGEMENT TEAM

Mr. Varun Sawhney	Vice President (Marketing, HR & IT)
Mr. Gaurav Sawhney	Vice President (Finance and Banking)
Mr. Hemant Kumar Pandita	Vice President (Marketing)
Mr. Manoj Kumar Gupta	Chief Financial Officer
Mr. Anil Gupta	General Manager (Technical)
Mr. Jugendra Singh	General Manager (Sales & Marketing)
Mr. Ajay Dixit	General Manager (Sales & Marketing)
Mr. Sameer Grover	General Manager (Sales & Marketing)
Mr. Sudharshan H. C.	General Manager (Sales & Marketing)

COMPANY SECRETARY

Ms. Garima Pant

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase I,
Near PVR Naraina, New Delhi- 110028
Tel No - +91-011-41410592, 93,94
Fax No- +91-011-41410591
Email-delhi@linkintime.co.in

BANKERS / FINANCIAL INSTITUTIONS

Canara Bank
ICICI Bank Limited
IDBI Bank Limited
Citi Bank NA
State Bank of Patiala
Rajasthan State Industrial Development
& Industrial Corporation Ltd. (RIICO Ltd.)

Email ID-

For Investor- csco@cordscable.com
For Others - ccil@cordscable.com
Website - www.cordscable.com

REGIONAL OFFICES

(1) Mumbai (2) Hyderabad (3) Kolkata

STATUTORY AUDITORS

M/s Sharma Goel & Co, LLP
Chartered Accountants
New Delhi

STOCK EXCHANGES

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

REGISTERED OFFICE

Cords Cable Industries Limited
CIN : L74999DL1991PLC046092
94, 1st Floor, Shambhu Dayal Bagh Marg,
Near Okhla Industrial Area Phase-III,
Old Ishwar Nagar, New Delhi-110020
Fax No-+91-011-40551280/81
Tel No- +91-011-40551200

PLANT LOCATIONS

1) A-525, E-518, 519, 520, Industrial Area Chopanki,
Bhiwadi, District Alwar (Raj) 301 707

2) SP-239, 240 & 241,
Industrial Area Kahrani,
Bhiwadi Extn., District Alwar (Raj) 301 019

MANAGEMENT DISCUSSION & ANALYSIS

Since its inception, Cords Cable Industries has diversified its business model and has shown significant presence, especially in the domestic market, serviced largely the institutional segments and has catered both the private and public sector clients. The company continued to fine tune its production output to meet country's changing demands. The company met the demand for high-quality customized cables that included control, instrumentation, thermocouple and power cables. Specialty cables have emerged as a significant market on account of the growth in sophisticated applications in many vital sectors of the Indian as well as world economy.

ECONOMIC OVERVIEW

GLOBAL: Growth prospects have weakened throughout the world economy, according to the June 2016 Global Economic Prospects. Global growth for 2016 is projected at 2.4 percent, 0.5 percentage point below the January forecast. Emerging market and developing economies (EMDEs) are facing stronger headwinds, including weaker growth among advanced economies and low commodity prices. Significant divergences persist between commodity exporters struggling to adjust to depressed prices and commodity importers showing continued resilience.

However, global growth is projected to pick up to 3 percent by 2018, as stabilizing commodity prices provide support to commodity exporting EMDEs. Downside risks have become more pronounced. These include deteriorating conditions among key commodity exporters, softer-than-expected activity in advanced economies, rising private sector debt in some large emerging markets, and heightened policy and geopolitical uncertainties.

(Source : http://www.worldbank.org/en/publication/global-economic-prospects)

The Updated Forecast

Global growth is projected at 3.4 percent in 2016 and 3.6 percent in 2017.

Advanced Economies

Growth in advanced economies is projected to rise by 0.2 percentage point in 2016 to 2.1 percent, and hold steady in 2017. Overall activity remains resilient in the United States, supported by still-easy financial conditions and strengthening housing and labour markets, but with dollar strength weighing on manufacturing activity and lower oil prices curtailing investment in mining structures and equipment. In the euro area, stronger private consumption supported by lower oil prices and easy financial conditions is outweighing a weakening in net exports. Growth in Japan is also expected to firm in 2016, on the back of fiscal support, lower oil prices, accommodative financial conditions, and rising incomes.

Emerging Market and Developing Economies

Growth in emerging market and developing economies is projected to increase from 4 percent in 2015—the lowest since the 2008–09 financial crisis—to 4.3 and 4.7 percent in 2016 and 2017, respectively.

- Growth in China is expected to slow to 6.3 percent in 2016 and 6.0 percent in 2017, primarily reflecting weaker investment growth as the economy continues to rebalance. India and the rest of emerging Asia are generally projected to continue growing at a robust pace, although with some countries facing strong headwinds from China's economic rebalancing and global manufacturing weakness.
- Aggregate GDP in Latin America and the Caribbean is now projected to contract in 2016 as well, albeit at a smaller rate than in 2015, despite positive growth in most countries in the region. This reflects the recession in Brazil and other countries in economic distress.
- Higher growth is projected for the Middle East, but lower oil prices, and in some cases geopolitical tensions and domestic strife, continue to weigh on the outlook.
- Emerging Europe is projected to continue growing at a broadly steady pace, albeit with some slowing in 2016. Russia, which continues to adjust to low oil prices and Western sanctions, is expected to remain in recession in 2016. Other economies of the Commonwealth of Independent States are caught in the slipstream of Russia's recession and geopolitical tensions, and in some cases affected by domestic structural weaknesses and low oil prices; they are projected to expand only modestly in 2016 but gather speed in 2017.
- Most countries in sub-Saharan Africa will see a gradual pickup in growth, but with lower commodity prices, to rates that are lower than those seen over the past decade. This mainly reflects the continued adjustment to lower commodity prices and higher borrowing costs, which are weighing heavily on some of the region's largest economies (Angola, Nigeria, and South Africa) as well as a number of smaller commodity exporters.
  (Source : http://www.imf.org/external/pubs/ft/weo/2016/update/01/)

INDIA : Real GDP growth or Gross Domestic Product (GDP) growth of India at constant (2011-12) prices in the year 2015-16 is estimated at 7.56 percent as compared to the growth rate of 7.24 percent in 2014-15. Quarterly GDP growth rates are: Q1 (7.5%), Q2 (7.6%), Q3 (7.2%), Q4 (7.9%).

GVA growth rates of Agriculture & allied, Industry, and Services sector are 1.25%, 7.4%, and 8.92%, respectively. Manufacturing growth is at 9.3%. India has registered highest growth of 10.3% in ‘Financial, real estate & professional services’ sector and lowest 1.2% in ‘Agriculture, forestry & fishing’ sector.

At current prices, GDP growth rate for year 2015-16 is 8.71%. Growth rates for Q1, Q2, Q3 and Q4 are 8.8%, 6.4%, 9.1% and 10.4%, respectively. At constant prices GVA (Gross Value Added), GNI (Gross National Income), NNI (Net National Income) growth of India is estimated at 7.2%, 7.5% and 7.6%, respectively. At current prices, these figures are 7.0%, 8.7% and 8.7%.

Gaining momentum, economy grew by 7.9 per cent in March quarter to consolidate India’s position as the fastest growing major economy with a five-year high growth rate of 7.6 per cent for the full fiscal on robust manufacturing growth. The farm sector also rebounded to the growth zone, as against a contraction in previous year, although the rate of expansion was low at 1.2 per cent in 2015-16.

(Source:http://statisticstimes.com/economy/gdp-growth-of-india.php & http://economic times.indiatimes.com/news/economy)

INDUSTRY SCENARIO

Wire and Cable industry’s fate is closely linked to that of the industrial growth in general. Cables are crucial infrastructure backbone of an economy - the critical elements that wire up the length and breadth of the country. With the green shoots visible in with the expectation of a stable pro-reform, growth focused government at the centre and as per the indications available, the growth is expected to pick up slowly in the later part of the financial year provided improved governance and concerted action to resolve structural bottlenecks are effectively in place. Demand for cables is expected to improve further with the improvement in industrial growth. The Indian Wire and Cable industry offers lucrative scope for stable revenue streams to the manufacturers of specialised control and instrumentation cables. The prospects of the Wire and Cable industry are interlinked with the health of other industries viz: power, telecom, railways, real estate, steel, cement, refineries, infrastructure etc., government’s procurement policies, strategic diversifications and switching over to integrated manufacturing. With the growth of other related industries, the Indian Wire and Cable industry is indeed bound to grow & prosper.

OPPORTUNITIES IN VARIOUS SECTORS

Cable and wire industry has established itself as a backbone of modern information age. The increasing importance for power, light, data, signalling, communication and automation etc. has kept demand high for wire and cable. This trend will continue as demand for reliable, efficient energy and data communications will strengthen the wire and cable industry. Cables play a small but significant part in infrastructure activities. With strong investments proposed across sectors such as power, realty, industrial, freight corridors, defence, shipping, inland waterways, petro-chemicals, other infrastructure projects and telecom the cable industry in India is slated for a strong growth going forward.

Apart from the above, Government impetus in refineries, ports, airport modernization, renewable power and fertilizers will offer a boost to the wire and cable industry as almost all manufacturing companies need cables. Robust industrialization and growing urbanization are also one of the important drivers identified. Auto sector and railways are the other important sectors consuming wires and cables on a large scale. Additionally, growth will be fuelled by urbanization as cables and wires will be required in buildings and offices.

POWER

Power or electricity is very essential constituent of infrastructure affecting economic growth and welfare of the country. India is the 5th largest producer of electricity in the world. At an electricity-GDP elasticity ratio of 0.8, electricity will continue to remain a key input for India’s economic growth. Electricity demand is likely to reach 155 GW by 2016-17 & 217 GW by 2021-22 whereas peak demand will reach 202 GW & 295 GW over the same period respectively.

The Planning Commission’s 12th Five-Year Plan estimates total domestic energy production to reach 669.6 million tonnes of oil equivalent (MTOE) by 2016–17 and 844 MTOE by 2021–22. By 2030–35, energy demand in India is projected to be the highest among all countries according to the 2014 energy outlook report by British oil giant, BP.

The Ministry of Power has identified following five Ultra Mega Power Projects (UMPP) for bidding: (i) Cheyyur UMPP, Tamil Nadu. (ii) Bedabahal UMPP, Odisha. (iii) Bihar UMPP. (iv) Deoghar UMPP, Jharkhand. (v) Tilaiya UMPP, Jharkhand (re-bid). Bidding for three UMPPs namely Cheyyur UMPP, Tamil Nadu, Bedabahal UMPP, Odisha and Bihar UMPP would attract an investment of approx. Rs. 90,000 crore. Deoghar UMPP and Tilaiya UMPP, Jharkhand may be bid out in the coming financial year after due process is met, attracting investment of Rs. 60,000 crore.

(Source:http://www.financialexpress.com/article/economy/power-sector-in-india & http://www .ibef. org/industry/power-sector-india.aspx)

The positive trend in the power sector is one of the most important catalysts for the wire and cable industry. Cables play a crucial part in all the three aspects of the power sector - generation, transmission and distribution. Therefore, the trend of wire and cable industry is to some extent dependent upon the power sector.

REAL ESTATE SECTOR

The Indian real estate sector is one of the most globally recognized sectors. In the country, it is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. It comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

Real estate is currently the fourth-largest sector in the country in terms of Foreign Direct Investment (FDI) inflows. Total FDI in the construction development sector during April 2000–May 2015 stood at around US$ 24.07 billion.

The Government of India has been supportive to the real estate sector. In August 2015, the Union Cabinet approved 100 Smart City Projects in India. The Government has also raised FDI limits for townships and settlements development projects to 100 per cent. Real estate projects within the Special Economic Zone (SEZ) are also permitted 100 per cent FDI. In Union Budget 2015-16, the government allocated US$ 3.72 billion for housing and urban development. The government has also released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment.

(Source: www.ibef.org/industry/real-estate-india.aspx & http://www.ibef.org/industry/ indian-real-estate-industry-analysis-presentation)

Growth in the real estate sector is essential to the wires and cable industry.

AIRPORT MODERNIZATION

Airports being nuclei of economic activity assume a significant role in the national economy. In many remote, hilly and inaccessible areas of the country, air transport is the quickest and sometimes the only mode of travel available. This is especially true of sensitive regions on the borders with our neighbours in the west, north and north-east. Airports need to be integrated with other modes of transport like Railways and Highways, enabling seamless transportation to all parts of the country.

India's aviation sector, like other infrastructure sectors, has shown robust growth with increased private participation under Public-Private Partnership (PPP), development of greenfield airports, restructuring and modernisation of airports, FDI in domestic airlines, increase in number of Low Cost Carriers (LCCs) and emphasis on regional connectivity.

There has been strong growth in traffic at Indian airports during 2015-16 with domestic travel increasing by 20% and international traffic by 7.8% during April-November 2015 from the corresponding period a year ago. On the other hand, international cargo throughput increased by 5.8 % and domestic by 6.1 % in April-November 2015 as compared to the corresponding period of the previous year.

Airport infrastructure during 2015-16 was developed by the Airport Authority of India (AAI) of Kadapah Airport, the New Civil Air Terminal at Chandigarh (Mohali side) and the New Integrated Terminal building at Tirupati Airport with apron and associated works. Greenfield airports at Mopa in Goa, Navi Mumbai, Shirdi and Sindhudurg in Maharashtra, Shimoga, Hasan and Bijapur in Karnataka, Kannur in Kerala, Pakyong in Sikkim, Holongi (Itanagar) in Arunachal Pradesh, Datia in Madhya Pradesh, Kushinagar in Uttar Pradesh and Karaikkal in Puducherry are at various stages of planning and execution.

(Source: http://civilaviation.gov.in/sites/default/files/moca_000766_1.pdf & http://www. financialexpress.com/article/economy/economic-survey-2016-aviation-sector)

Increased activity in Airport modernization shall add to the demand for specialized cables.

RAILWAYS (including Metro-rails)

Indian Railways is the lifeline of the nation. It traverses the length and breadth of the country providing the required connectivity and integration for balanced regional development. The system never rests; it has been up and working unceasingly for the last several decades. It is an integral part of every Indian's being. It is one of the pillars of the nation.

Vision 2020 addresses another major development challenge, which is both national and global in nature, namely, reducing hazardous carbon emissions that have triggered climate change. So far, there has been inadequate recognition of the Railways' contribution towards India's climate protection efforts.

Vision 2020 addresses one of the biggest development challenges of contemporary India, namely, Growth with Jobs and not Jobless Growth. Vision 2020 aims at considerably enhancing the Indian Railways' contribution to the national goal of achieving double-digit GDP growth rate on a sustainable basis.

Some of the major goals set for 2020 in the document include:

(a) Establish quality of service benchmarked to the best of the railway systems in the world;

(b) Target to achieve Zero accidents;

(c) Target to achieve Zero failures in equipments;

(d) Utilize at least 10% of its energy requirement from renewable sources;

(e) Institute a foolproof eco-friendly waste management system;

(f) Complete 4 high speed corridors of (2000 kms) and plan development of 8 others.

Four goals for Indian Railways to transform over next five years:

a) To deliver a sustained and measurable improvement in customer experience.

b) To make Rail a safer means of travel.

c) **To expand Bhartiya Rail's capacity substantially and modernise infrastructure:** increase daily passenger carrying capacity from 21million to 30 million: increase track length by 20% from 1,14,000 km to 1,38,000 km: grow our annual freight carrying capacity from 1 billion to 1.5 billion tonnes.

d) Finally, to make Bhartiya Rail financially self-sustainable. Generate large surpluses from operations not only to service the debt needed to fund our capacity expansion, but also to invest on an on-going basis to replace our depreciating assets.

Railways' budgeted annual plan outlay for 2016-17 is Rs. 121000.00 crore.

(Source: http://www.indianrailways.gov.in/railwayboard/uploads/directorate/finance_ budget/Budget_2015-16)

OIL AND GAS: The oil and gas sector is among the six core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. In 1997–98, the New Exploration Licensing Policy (NELP) was envisaged to fill the ever-increasing gap between India's gas demand and supply. The Indian oil and gas industry is anticipated to be worth US$ 139.8 billion by 2015. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

Backed by new oil fields, domestic oil output is anticipated to grow to 1 MBPD by FY16. With India developing gas-fired power stations, consumption is up more than 160 per cent since 1995. Gas consumption is likely to expand at a Compound Annual Growth Rate (CAGR) of 21 per cent during FY08–17. Presently, domestic production accounts for more than three-quarters of the country's total gas consumption.

India is the fifth-largest Liquefied Natural Gas (LNG) importer after Japan, South Korea, the United Kingdom and Spain and accounts for 5.5 percent of the total global trade. The LNG imports had increased by 24 per cent year-on-year in January 2016 to1.98 Billion Cubic Metres (BCM). Domestic LNG demand is expected to grow at a CAGR of 16.89 per cent to 306.54 Million Metric Standard Cubic Meter per Day (MMSCMD) by 2021 from 64 MMSCMD in 2015.

(Source:http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/345/1)

REFINING: India is emerging as a refinery hub as the last decade showed a tremendous growth in the refining sector. India has 17 public sector refineries and five refineries in the private sector/or as a joint venture, the largest refineries being RIL Jamnagar (Gujarat), RPL Jamnagar (Gujarat), MRPL Mangalore (Karnataka), CPCL Manali (Chennai, Tamil Nadu) and IOC Koyali (Gujarat).

Domestic oil output is anticipated to grow to 1 MBPD by FY16. With India developing gas-fired power stations, consumption is up more than 160 per cent since 1995. Gas consumption is likely to expand at a Compound Annual Growth Rate (CAGR) of 21 per cent during FY08–17. Presently, domestic production accounts for more than three-quarters of the country's total gas consumption.

In the 12th Five year plan period 50 million tonne will be added to the total refining capacity of India through capacity expansion projects of existing units. While new refinery units, which are expected to come up in the near future, will add up to 90.5 million tonne to India's total refining capacity.

Company is actively supplying cables to the Hydrocarbon sector & the impetus on the above shall boost the demand for cables. With strong investments proposed across sectors, the cable industry in India is slated for a strong growth going forward.

(Source: http://www.ibef.org/industry/oil-gas-india.aspx)

RISKS AND CONCERNS

Liquidity Risk: Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss. All businesses need to manage liquidity risk to ensure that they remain solvent. The company manages the liquidity risk through prudent resource planning to ensure the availability of adequate funds at all times to meet its obligations on its liabilities as well as disbursement on due dates.

Finance Cost Risk: Finance Cost risk arises due to payment of high rate of interest on term loans and other funds & non fund based facilities being availed by the company from banks and other financial institutions. The company tries to minimize this risk by keeping a check on the interest rates charged by various banks and by swapping its long term/short term loans with banks charging lesser interest rates.

Raw Material Availability and Price Fluctuations: Scarce availability and price-volatility in Company's Basic Raw Materials - Copper, Aluminium, Steel, and PVC etc. can severely impact the profits of the Company. To mitigate these risks, the Company inculcates MOUs with its suppliers, price escalation clauses for large orders and hedges these raw-materials on the commodity exchange.

Foreign Exchange Risk: Foreign exchange risk is a financial risk posed by an exposure to unanticipated changes in the exchange rate between two currencies. Company imports a part of its raw materials and is also engaged in export of its products. To mitigate this risk, the company resorts to forward booking where deemed appropriate.

Human Resource Risk: In the absence of quality human resources, the company may not be able to execute its growth plans. To mitigate this risk, the company places due importance to its human capital assets and invests in building and nurturing a strong talented pool to gain strategic edge and achieve operational excellence in all its goals.

FINANCIAL REVIEW

Results of Operations

(Amount in Rs.)

Particulars	**FY'16**	**FY'15**
Gross Sales	**3,10,21,29,521**	**2,86,22,61,400**
Net Income from Operations	**2,83,32,70,311**	**2,65,02,69,742**
Total Expenditure	**2,54,05,82,402**	**2,37,74,22,561**
Consumption of Raw Material	2,18,21,37,872	2,04,08,46,798
Manufacturing Expenses	13,49,42,846	11,88,42,247
Staff Cost	14,79,96,697	14,74,35,744
Administrative & Other expenses	7,55,04,988	7,02,97,771
OPBITDA	**29,26,87,909**	**27,28,47,181**
Depreciation & Amortisation	5,41,67,386	5,41,12,567
OPBIT	**23,85,20,523**	**21,87,34,614**
Finance charges	20,86,75,223	19,98,68,201
OPBT	**2,98,45,300**	**1,88,66,413**
Non Operating Income / Other Income	1,88,92,700	1,91,46,523
PBT	**4,87,37,999**	**3,80,12,936**
Current Year tax	1,47,14,709	59,56,214
Deferred tax	29,64,764	50,36,464
PAT	**3,10,58,526**	**2,70,20,258**

During the year under review, Net Sales from Operations stood at Rs. 2,83,32,70,311/-, as against Rs. 2,65,02,69,742/- in FY'15.

The Operational Profit, before making provision for Interest, Depreciation and Amortization, stood at Rs. 29,26,87,909/- for FY'16 as against Rs. 2,72,84,7181/- in FY'15. Thereby, the Profit After Tax during the year stood at Rs. 3,10,58,526/-, as against Rs. 2,70,20,258/- in the previous Financial Year' 15.

Your Company has been earning profits since inception. However, during the past few years profitability of the Company is adversely impacted primarily due to following reasons:

- The economy and the industry, as a whole, has witnessed a comparatively longer working capital cycle during past years which has adversely effected your company as well. Due to this increased working capital cycle your company has also witnessed an increase in the overall finance costs.
- Your Company is mainly engaged in the business of manufacturing cable to be used in industries. During the past few years, due to the overall adverse economic environment around the globe, the investments in new projects were put on hold by most of the companies. The increase in the net sales was not at par with the expectations marginally due to lower realizations.

However, The Company is constantly working upon achieving better efficiencies, cutting costs at every stage of production, better preventive maintenance, making product mix having higher contribution and achieving higher production so that the company can achieve the scale of economy and maintain higher margin of profit. There was an infusion of capital in the company in February, 2016 as an endeavour taken in same direction.

Also, the interest rates are expected to likely soften in near future and company is hence expected to save on its finance outgoes.

SEGMENTAL OVERVIEW

The company operates under a single product segment i.e. Cables. The company mainly focuses on specialized control and instrumentation cables which differentiates it from other cable players in the country.

INTERNAL CONTROL SYSTEM

The system of Internal Control provides for maintenance of proper accounting records, reliability of financial information and assures its operations are effective and efficient, and its activities comply with applicable laws and regulations. The internal audit is carried out by an independent firm of Chartered Accountants and covers all the key areas of the company's business.

INDUSTRIAL RELATIONS AND HUMAN CAPITAL

The Company strives to provide the best working environment with ample opportunities to grow and explore. The Company maintained healthy, cordial and harmonious industrial relations at all levels throughout the year. Every initiative and policy of the Company takes care of welfare of all its employees. The human resource development function of the Company is guided by a strong set of values and policies.

FUTURE OUTLOOK

The vision of CORDS is to be recognized as a leading global player, providing products and services, offering comprehensive solutions to the electrical and data connectivity requirements of businesses as well as household users. It focuses on capturing new markets by developing customers in new and existing territories, to provide new cables for special applications like solar, marine, low temperature cables, cables for automobiles etc.

CAUTIONARY STATEMENT

Statement made in this report in describing the company's objectives, estimates and expectations are "Forward looking Statement" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events but the company, however, cannot guarantee that these assumptions are accurate or will be materialized by the company. Actual results may vary from those expressed or implied, depending upon the economic conditions, Government policies and/or other related factors.