

RECENT INDUSTRIAL SCENARIO

Post the revival of the Indian real estate sector through a series of initiatives by the Government, the confidence of the homebuyers has increased with a clear understanding of the market. The developers have also witnessed a smooth regulatory business process. This development is expected to help increase the cash flow in Indian real estate sector in 2019. Single window approvals by central and various state Governments will further accelerate growth of the industry. The government has announced certain amendments in the taxation and regulatory features. RERA is streamlining the real estate, ensuring that the buyer gets full value for his money. The central and various state governments are announcing single window approvals. GST and the approval by SEBI for the Real Estate Investment Trust (REIT) have led to greater transparency, and institutional investors are now looking at Indian real estate with renewed interest. With the advent of the first REIT in early 2019, investors could look forward for great opportunities.

INDUSTRY STRUCTURE & DEVELOPMENTS

The Union Budget 2017-18 was announced with the theme of Transform, Energise and Clean India (TEC) was largely geared towards rural growth, infrastructure, and poverty alleviation, with a huge impetus to affordable housing. The thrust on affordable housing renews government's vision of 'Housing for All by 2022', giving a cheer for the housing segment. After a wait of several years, the government has finally awarded infrastructure status to the largely-neglected affordable housing, which is encouraging for developers infrastructure status will ensure easier access to institutional credit and help in reducing developers cost of borrowing affordable projects.

According infrastructure status will further simplify approval process for affordable projects, create clear guidelines and increase transparency in the segment. Such a market, which will further be made accountable through the Real Estate Regulatory Authority (RERA), could attract debt and pension funds to invest in the affordable housing segment. Moreover, this time period has extended from three years of approval to five years. We expect that these moves will definitely aid supply in the affordable segment by ensuring that a greater number of projects will come under the ambit of the scheme, which has remained largely under-penetrated till now, despite immense pent-up demand. For instance, households earning up to Rs 200,000 per annum and above poverty line itself accounts for almost half of the total demand for housing between 2017 and 2020.

From the above discussion, it is clear that to boost urban and rural infrastructure across the country, the government has initiated multiple measures to lift the infrastructure and construction sectors from the ongoing slowdown. The funds aimed at integrated development of urban infrastructure and services in rural areas and urban cities to boost allied sectors including construction material, steel and cement.

FUTURE OUTLOOK OF OUR COMPANY

In order to promote affordable housing, the Government has made several efforts to create enabling environment and eco-system. Towards such an end, the Government has granted infrastructure status to affordable housing which will enable these projects to avail the associated benefits such as lower borrowing rates, tax concessions and increased flow of foreign and private capital.

Considering the above future possibilities and policies Your Company is looking to acquire Infrastructure Company having credentials of Rs. 100 Crores. Acquisition may be either of full takeovers or merged it with your Company by creating SPV or strategic alliance and to incorporate various companies and LLP's or any other forms as permissible by law for execution of various housing and infrastructural projects in near future.

The Shares of the Company will be provided to the respective landowner/ Companies/ Trust as the case may be towards payment of consideration other than cash on the valuation as may be certified by the competent authority / empanel valuer of any Nationalized Banks. Shares can be issued as consideration towards assignment value for relinquishing the development right of the property owned by a person of a Company or Company whatsoever in nature. Apart from the Consideration payable to the property owner by issuance of shares towards payment of consideration and or otherwise other than shares or other than cash.

STRATEGY

Affordable housing in the last budget giving affordable housing as infrastructure status and also declared several incentives including tax benefit for successful implementation of affordable housing. Considering the enormous opportunity and the expertise the Company have out of its past activity Company has decided to take up affordable housing schemes in an around city of Kolkata as well as the district towns where the demand for community living in organized housing complex enriched with necessary urban infrastructure.

Company is glad to announce to its Shareholders that the good number of pieces of land which are suitable for the aforesaid purpose have been identified by the co and are in process of finalization of tie-ups ensuring the access of the those parcels of land for implementation of housing projects with affordable price.

PROPOSED ROAD MAP

The Comp[any has recently come out from NPA and are now in a regular banking system. due to this stressed relationship with Co's Banker namely SBI nearly for last 5 years the Company could not participate in any tender for non availability of comfort letter from Bank which is a Mandatory instrument required for such participation. As this situation has changed in that front favorably, there are scopes now for revamping Company again .This is more important considering the Government encourages policy towards infrastructure development for vibrant India, creating numerous opportunities to have the share of this initiative boundlessly. Therefore the Company decided to strengthen its net worth, making company presentable before Government departments and Financial Institution thereby.

OPPORTUNITIES AND THREATS

Viewed against the disruption, confusion and uncertainty of the past year, it would be easy to become despondent about the future of infrastructure around the world. Yet we see great opportunity and promise emerging. There is much to be excited about. Governments continue to demonstrate a strong desire and ambition to invest in infrastructure, both as a path to economic growth and as a way to hold back the rising tide of populism. New technologies and rapid innovation are creating new approaches, models and tools for infrastructure development and helping to bring down costs. The quest to identify new pricing and funding models offers the potential to unblock pipelines and unleash a new era of rapid development. And new perspectives on key issues such as sustainability, governance and investment are driving greater sophistication in many markets. A new dawn may be rising.

Coming convergence of real estate and infrastructure within the investment market — a trend that has been slow to materialize but become increasingly important in its impact. We also expected swifter action on the impact investing and credit enhancement fronts. Not surprisingly, therefore, there are a number of trends in this year's report that could be seen as a continuation of previous evolutions.

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We hope that this year's report inspires infrastructure participants to think progressively about the opportunities we face today and cautiously about the risks of tomorrow. We believe there is huge potential for great good to be unlocked. But, if we do not respond with vision and purpose, we may also be sowing the seeds of discord and division for future generations. The choice is ours.

Public Sector projects through Public Private Partnership will bring further opportunities. Ambitious project plans have been developed for various sectors to bridge the infrastructure gap. These measures have opened up various opportunities for private participation in the provision of infrastructure and services.

Long term market instability and uncertainty may damage the opportunities and prevent the expansion. Infrastructure financing has been a major problem particularly in the roads sector and banks must make changes to meet financing needs of road sector. Long-term funding has been a problem for banks as it has to borrow short-term to lend long-term projects. Funds are required and so is innovation.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a satisfactory system of internal control corresponding with its size and the nature of its operations. These have been designed to provide reasonable assurance & accuracy with regard to recording & reporting and providing reliable financial and operational, information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up the implementation of the corrective steps. The Committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

FINANCIAL PERFORMANCE & FUTURE PLANNING

During the year under review, the company has achieved a total turnover of Rs.1,051.84 Lakhs. The Profit/Loss after Tax for the year under review has been Rs.499.25 lacs, as compared to Rs.19.67 lacs for the previous year.

Shelter Infra Projects Limited is confident that apart from the infrastructure job, real estate business particularly the residential projects will be a regular source for the company of cash inflow and profit. The company has also decided to hire different professional agencies having sufficient expertise in their respective field for making and marketing those real estate projects as proposed.

Thus the Company has decided to enter into the real estate development business directly by acquiring development right from the land lord/owner and procuring property at suitable location for raising house stalls, at an affordable price.

The Company has also decided for introduction of Special Purpose Vehicle (SPV) to implant such independent projects as subsidiary of the company, as the case may be.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

The Industrial Relations scenario continued to be cordial. The Company regards its employees as a great asset and accords high priority to training and development of employees.

NUMBER OF EMPLOYEES AS ON MARCH 31, 2019 WAS 10.

The information required pursuant to Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company; need not to be disclosed as it is not applicable in respect of our company.

RISKS AND CONCERNS.

The company is involved in the construction of infrastructure projects. The company may face significant competition and margin pressures from its competitors depending on size, nature and complexity of the project and on the geographical region in which the project is to be executed. The failure to bid competitively may adversely affect its operations. Bidding high will mean it does not win contracts and bidding too low will mean incurring a loss, or operating at very thin margins.

For potential homebuyers, the year 2019 is not expected to be any different from the last few years. Prices are likely to remain stagnant and developers will continue to focus on clearing existing inventory rather than launching new projects as they continue to grapple with regulatory changes like Real estate (regulation and development) Act, 2016 (RERA), goods and services tax (GST) and overall subdued demand.

HUMAN RESOURCES

Human Resources continued to be one of the biggest assets of the Company. The management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Relations with the employees remained cordial throughout the year.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis Report in regard to projections, estimates and expectation have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.