

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2020.

**FINANCIAL RESULTS**

The Group's financial performances for the year under review along with previous year's figures are given hereunder:

(Rs. In Lacs)

PARTICULARS	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	0.00	268.22	825.79	668.52
Other Income	0.00	0.67	58.78	15.86
Total Revenue	0.00	268.89	884.57	684.38
Profit (Loss) Before Taxation	(13.02)	(10.99)	(190.33)	(14.82)
Tax Expense	0.00	0.00	(50.43)	(2.54)
Profit/(Loss) for the period after tax and minority interest	(13.02)	(10.99)	(139.90)	(12.28)
Other comprehensive income	0.00	0.00	0.00	0.00
<b>Total comprehensive income (after tax)</b>	<b>(13.02)</b>	<b>(10.99)</b>	<b>(139.90)</b>	<b>(12.28)</b>

**DIVIDEND**

Considering the current cash flow position of the Company, the Board of Directors has not recommended any dividend on Share Capital of the Company for the year ended on 31<sup>st</sup> March, 2020.

**REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

The total Income during the year has decreased from Rs. 268.22 Lacs to Nil against the last year. During the year, Company incurred loss of Rs. 13.02 against the loss of Rs. 10.99 Lacs over the last year. Your directors are hopeful to get better results in the coming year. The Board of Directors of the Company are continuously making efforts for the growth of your Company.

The Company is in business of trading of various Steel Products, IT and electronic products and also into various IT enabled services. Business conditions continue to be challenging. The growth of the Company is subject to opportunities and threats as are applicable to the industry from time to time.

**RESERVES**

Company does not propose to carry any amount to any Reserve Account.

**SHARE CAPITAL**

The paid up Equity Share Capital as at 31<sup>st</sup> March, 2020 is Rs. 2.80 Crores. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

**EMERGENCE OF COVID-19**

The Outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Operations of the Company had been closed down w.e.f. 26<sup>th</sup> March, 2020.

The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business and believes that the impact may not be significant over the terms of its contracts. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has used corroborative information. The company believe that the impact of Covid-19 is not material based on the evaluations. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties in future periods, if any. The management does not see any long-term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

**CORPORATE GOVERNANCE**

As per Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), compliance with the corporate governance provisions as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V, shall not apply to the Company. Although as a good governance practice a detailed report on Corporate Governance is given as a part of the Annual Report. The Certificate of the non-applicability of submission of Report on Corporate Governance is attached to the Report on Corporate Governance. Report on Corporate Governance is annexed and forms part of this Annual Report.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There are no material changes in the nature of business during the year.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no material changes and commitment if any affecting the financial position of the company occurred between the ends of the financial year to which this financial statements relate and the date of the report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

**RISK MANAGEMENT**

The Company has adopted a Risk Management Policy, pursuant to Section 134 of the Companies Act, 2013 and Company has also implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Currency fluctuation, Compliances of various applicable Laws, Regulatory changes, Manufacturing & Supply, Litigation, Technological Changes and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Report on Management Discussion and Analysis Report as required under SEBI Listing Regulations is included in this Report. Certain statements in said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****i) Changes in Directors and Key Managerial Personnel**

Pursuant to Section 152 of the Companies Act, 2013, Mr. Naresh B. Shah (DIN: 01212428), Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. During the financial year, Mr. Vishnubhai G. Chauhan (DIN: 01955762) re-appointed as an Independent Director of the Company for a second term commencing from 30<sup>th</sup> September, 2019 up to 29<sup>th</sup> September, 2024. Mrs. Chetna Kapadia would be re-appointed as an Independent Director of the Company subject to approval of shareholders in ensuing Annual General Meeting of the Company for a second term commencing from 30<sup>th</sup> March, 2020 up to 29<sup>th</sup> March, 2025.

There were no other changes in Key Managerial Personnel during the year.

**ii) Declaration by an Independent Director(s)**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

**iii) Procedure for Nomination and Appointment of Directors:**

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

**iv) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

**v) Annual Evaluation of Board Performance and Performance of its Committees and of Directors:**

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Listing Regulations, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Listing Regulations, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board.

The following were the Evaluation Criteria:

**(a) For Independent Directors:**

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:

- Performance as Team Leader/Member.
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals and achievements
- Professional Conduct, Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

**NOMINATION AND REMUNERATION POLICY**

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company. Details of the Remuneration Policy are given in the Corporate Governance Report.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company. The annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website. The consolidated financial results reflect the operations of the following subsidiaries.

Sr. No.	Name of Company	CIN/GLN	Address of The Company	Holding/ Subsidiary / Associate
1	Shaurya Casting Private Limited	U28112GJ2012PTC070409	91, Sopan Kesar Industrial Hub, Sarkhej-Bavla High Way, Moraiya, Ahmedabad- 382213	Wholly owned Subsidiary Company

**PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT**

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules made thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in **Form AOC-1** attached as **Annexure-1** which forms part of this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**DEPOSITS**

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31<sup>st</sup> March, 2020, there were no deposits which were unpaid or unclaimed and due for repayment.

**INSURANCE**

All properties and insurable interests of the company to the extent required have been adequately insured.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All related party transactions that were entered into during the financial year were in the ordinary course of business and on an arm's length basis. A detailed report on material contracts and arrangements made during the year 2019-20, being arm's length transactions have been reported and annexed hereto in **Form AOC-2 as Annexure-2** and forms part of this report.

There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large. The Company has adopted a Related Party Transactions Policy. The Board has formulated Policy on Related Party Transactions.

**NUMBER OF MEETINGS OF THE BOARD**

During the year, Five (5) board meetings were convened and held. Details of board meetings and committee meeting are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**COMMITTEES OF BOARD**

Company has constituted 3 Committees namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. Committee Meetings to be held during the year was circulated in advance to the Directors. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

**DIRECTORS RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;

- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF).**

The provisions of Section 125(2) of the Act does not apply as there was no unclaimed and unpaid dividend or any other amount which require transferring to Investor Education and Protection Fund (IEPF).

**CORPORATE SOCIAL RESPONSIBILITY**

The Company is not required to constitute Corporate Social Responsibility Committee or spend on social responsibility pursuant to section 135 of the Companies Act, 2013.

**POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2019-20.

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has made complaint under Vigil Mechanism/ Whistle Blower Mechanism.

**FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report.

**AUDITORS****(i) Statutory Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. GMCA & Co., Chartered Accountants, Ahmedabad (Firm Registration No.109850W) were appointed as Statutory Auditors of the Company from conclusion of the Annual General Meeting (AGM) of the Company held in the year 2017 till the conclusion of the AGM to be held in the year 2022 subject to ratification of their appointment at every AGM.

The Ministry of Corporate Affairs vide its Notification dated 7<sup>th</sup> May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditors' appointment is not being sought at the ensuing Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31<sup>st</sup> March, 2020. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**(ii) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Jigar Thakkar & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2020. The Secretarial Audit Report is annexed as **Annexure-3**.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

The Auditors' Report does not contain any qualification. There were no reservations or adverse remarks made by the Auditors in their report. Secretarial Audit Report contains remark regarding Belated payment of Listing fees to BSE Ltd and Custodian fees to Depositories.

**SECRETARIAL STANDARDS OF ICSI**

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

**EXTRACT OF THE ANNUAL RETURN**

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT.9 is annexed as **Annexure-4**.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
3. The Managing Director of the Company has not received any commission from the Company and not disqualified from receiving any remuneration or commission from any of subsidiaries of the Company.
4. No fraud has been reported by the Auditors to the Audit Committee or the Board.
5. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

**LISTING OF SHARES:**

The Equity Shares of the Company are listed on the BSE Limited (BSE) with Scrip Code No. 531343 & Security ID: INDINFRA. The Company confirms that the annual listing fee to the stock exchange for the financial year 2018-19 has been paid.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no earning and expenditure in the foreign currency. Since the Company does not have any manufacturing activities, the other particulars required to be provided in terms of Section 134(3)(m) of the Companies Act, 2013 are not applicable.

**PARTICULARS OF EMPLOYEES**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as **Annexure-5** to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available at the registered office of the Company during working hours, pursuant to the provisions of the first

proviso to Section 136(1) of the Act and any member interested in obtaining such information may write to the Company Secretary and the same will be made available to any such member on request.

**ACKNOWLEDGEMENTS**

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

**For and on behalf of the Board of Directors  
India Infraspacelimited**

**Date :** 03/09/2020

**Place :** Ahmedabad

**Pradip B. Shah**  
Managing Director  
DIN: 00297120

