

➤ **Significant Accounting Policies**

• **Company Overview**

India Infraspac Limited (“the company”) is a listed company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of trading of various steel products and in the electronic items. The company is listed on Bombay Stock Exchange.

• **Statement of Compliance**

The Standalone Financial Statements comply, in all material aspects, with Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information.

• **Basis for Preparation and presentation**

The Standalone Financial Statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Act.

• **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

• **Financial Instruments**

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other

than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- **Financial Assets**

- **Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortized cost.
- those measured at carrying cost for equity instruments of subsidiaries and joint ventures.

- **Initial recognition and measurement**

All financial assets, are recognized initially at fair value

- **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Standalone Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to equity. Dividends from such investments are recognised in the Standalone Statement of Profit and Loss within other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Financial liabilities

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the EIR method. The EIR is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Trade and other payables are recognized at the transaction cost, which is its fair value.

- **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

- **Revenue recognition**

The Company has adopted Ind AS 115 from 1st April, 2018 and opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application. The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

Performance obligation:

The revenue is recognized on fulfilment of performance obligation.

- **Sale of products:**

The Company earns revenue primarily from sale of steel products and electronic items. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component. The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision.

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has possession and legal title to the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

- **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

- **Taxation**

Tax on Income comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

- **Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- **Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

- **Impact of the COVID-19 pandemic on the business**

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. 26th 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 believes 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.

- **Ability to maintain operations including the factory/units/office spaces functioning and closed down:**

The Company operates its business in conformity with the highest ethical and moral standards and employee centricity. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of its employees at factory/units/office spaces. The office based employees were allowed to work from home by providing adequate digital and other assistance. The Company observed all the government advisories and guidelines thoroughly and in good faith.

- **Schedule, if any, for restarting the operations :**

The COVID-19 pandemic had severely disrupted business operations during the lockdown period and other emergency measures imposed by the Government. The Company has resumed operations w.e.f. 20th April, 2020 in a phased manner in line with the directives of the Government of India with permissible workforce, while adhering to the prescribed safety norms.

- **Steps taken to ensure smooth functioning of operations:**

The Company is following guidelines issued by the Government of India with respect to resumption of works at its factory/units/office spaces. The norms laid down by the Government for social distancing are being constantly monitored by the Company and strict advisory has been issued for wearing of safety masks, sanitizing and washing hands, travel guidelines, thermal scanning and is taking all kinds of preventive measures for health, hygiene, sanitation, etc. at workplace for safety and wellbeing of all workers and employees. The employees of the Company were also advised to work from home in order to carry out their respective works and perform routine business transactions.

- **Estimation of the future impact of CoVID-19 on its operations:**

Considering the uncertainties involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated and this will continue to be monitored in future period. It is premature to forecast the future impact with credibility at this stage.

1 Investment

Particulars	As at 31st March, 2020	As at 31st March, 2019
(1) Investment in Equity Shares		
161500 Equity Shares Shaurya Casting Pvt Ltd @ RS.140 each	2,26,10,000	-
Total	2,26,10,000	-

2 Non-Current Loans

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Long Term Loans & Advances		
Balance with Government Authorities	20,000	6,77,846
Loan to Corporate Bodies	-	1,16,19,400
Loan to Related Parties	-	-
Other Loans	4,03,63,434	3,47,382
Total	4,03,83,434	1,26,44,628

3 Trade Receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Outstanding for less than 6 months from the due date	-	-
Unsecured, considered good		
Outstanding for more than 6 months from the due date	96,50,797	97,43,522
Unsecured, considered good		
Total	96,50,797	97,43,522

4 Cash & Cash Equivalent

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks	28,546	26,475
In Current Account	28,546	26,475
Cash on Hand	4,30,396	1,28,362
Total	4,58,942	1,54,837

5 Short term Loans & Advances

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Loans & Advances		
Unsecured, Considered good		
Loan to Corporate Bodies	-	6,52,80,781
Loan to Related Parties	-	-
Other Loans	-	-
Advance Tax and TDS Receivables	-	-
Total	-	6,52,80,781

6 Other Current Assets

Particulars	As at	
	31st March, 2020	31st March, 2019
Prepaid Expense	-	-
Pre-Operative Expenses	33,19,207	33,19,207
Total	33,19,207	33,19,207

7 Share Capital

1 Authorized, Issued, Subscribed and Paidup share capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
Equity Shares of Rs. 10 Each	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Total				
Issued Share Capital				
Equity Shares of Rs. 10 Each	28,00,000	2,80,00,000	28,00,000	2,80,00,000
Total	28,00,000	2,80,00,000	28,00,000	2,80,00,000
Subscribed & Fully Paid				
Equity Shares of Rs. 10 Each	28,00,000	2,80,00,000	28,00,000	2,80,00,000
Total	28,00,000	2,80,00,000	28,00,000	2,80,00,000

2 Reconciliation of Share Capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares (Face Value Rs. 10.00)				
Shares Outstanding at the Beginning of the Year	28,00,000	2,80,00,000	28,00,000	2,80,00,000
Shares issued during the year	-	-	-	-
Shares cancelled during the year	-	-	-	-
Shares Outstanding at the End of the Year	28,00,000	2,80,00,000	28,00,000	2,80,00,000

3 Share Holders Holding More than 5% Share

Name of the Share Holders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Vastupal Steel & Spares Pvt Ltd	1019501	36.41	1019501	36.41
Prakash B Shah	140000	5.00	140000	5.00
Pankaj B Shah	140000	5.00	140000	5.00
Jitendra B Shah	140000	5.00	140000	5.00
Hemendra B Shah	140000	5.00	140000	5.00
Pradip B Shah	140000	5.00	140000	5.00
Naresh B Shah	140000	5.00	140000	5.00
Ashnisha Industries Ltd	301322	10.76	301322	10.76
Ardent Ventures LLP	301280	10.76	301280	10.76

8 Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Reserve		
Share Forfeiture A/c	1,07,61,500	1,07,61,500
Closing Balance	1,07,61,500	1,07,61,500
General Reserve		
Opening balance	33,49,000	33,49,000
+ Adjustment in pursuant to the scheme of Demerger	-	-
Closing Balances	33,49,000	33,49,000
Profit & Loss A/c		
Opening balance	(1,73,23,446)	(1,62,24,173)
(-) Transfer of Current Year Loss	(13,02,138)	(10,99,273)
Closing balance	(1,86,25,583)	(1,73,23,446)
Total	(45,15,083)	(32,12,946)

9 Short term Borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured Loans repayable on Demand		
Loan from Directors	-	-
Loan From Body Corporate	51,94,142	27,44,142
Total	51,94,142	27,44,142

10 Trade Payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Due to Micro & Small Enterprises		
Trade Payable for Goods	4,75,02,092	8,50,26,347
Trade Payable for Expenses	52,657	4,02,612
Others	1,46,700	-
Total	4,77,01,449	8,54,28,959

The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosure as required under section 22 of The Micro, Small and Medium Enterprise regarding:

- Amount due and outstanding to suppliers as at the end of the accounting year;
- interest paid during the year;
- interest payable at the end of the accounting year;
- interest accrued and unpaid at the end of the accounting year; have not been given , the company is making efforts to get the confirmation from the suppliers as regards their status under the said act.

11 Other Current Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues	-	31,132
Advance from Trade Receivable	-	5,96,837
Total	-	6,27,969

12 Short Term Provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unpaid Audit Fees	30,422	1,53,400
Unpaid Legal Fees	-	-
Unpaid Professional Fees	11,450	11,450
Total	41,872	1,64,850

13 Revenue from Operations

Particulars	As at 31st March, 2020	As at 31st March, 2019
(A) Sale of Products	-	2,68,21,985
(1) Sale of Steel & Electronic Products	-	2,68,21,985
Total	-	2,68,21,985

14 Other Income

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest on Income Tax Refund	-	66,800
Miscellaneous Income	-	-
Total	-	66,800

15 Purchase of Stock in Trade

Particulars	As at 31st March, 2020	As at 31st March, 2019
(A) Purchase of Products	-	2,67,56,238
(1) Purchase of Steel & Electrical Product	-	2,67,56,238
Total	-	2,67,56,238

16 Employee Benefit Expenses

Particulars	As at 31st March, 2020	As at 31st March, 2019
(A) Purchase of Products	1,45,800	-
Total	1,45,800	-

17 Finance Costs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Expense	-	34,380
Bank Charges	-	5,003
Total	-	39,383

18 Other Expenses

Particulars	As at 31st March, 2020	As at 31st March, 2019
Payment to Auditors *	16,000	76,700
Miscellaneous Expenses	11,40,338	11,15,737
Annual Listing Fees	3,09,328	2,59,350
Corporate Action Fees	7,500	-
Balance Written Off	-	5,59,786
Share Transfer Charges	-	45,000
Legal & Professional Charges	-	1,14,560
Other Miscellaneous Expenses	8,23,510	69,941
Short Provision of income Tax	-	67,100
Total	11,56,338	11,92,437
* Payment to Auditors		
For Audit Fees	16,000	76,700
For Others	-	-

19. Notes on Accounts

➤ **Contingent Liabilities**

There is no contingent liability as informed by management.

➤ **Related Party Transactions:-**

As per Indian Accounting Standard (Ind AS -24) issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name	Relationship
1	Pankaj B Shah	CFO
2	Naresh B Shah	Director
4	Pradip B Shah	Managing Director
4	Vishnubhai G Chauhan	Independent Director
5	Chetna A Kapadia	Independent Director
6	Nidhi D Bhatt	Company Secretary
7	Shaurya Casting Pvt. Ltd.	100% owned Subsidiary
8	Vastupal Steel & Spare Pvt. Ltd.	Group Company
9	Vastupal Bearing Races Ltd	Group Company
10	Mukta Industries Pvt. Ltd	Group Company
11	Mukta Automation Pvt. Ltd	Group Company
12	Naresh B Shah HUF	Relative of Key Managerial Personnel
13	Pradip B Shah HUF	Relative of Key Managerial Personnel

➤ **Transactions with Related Parties**

Transactions that have taken place during the period April 1, 2019 to March 31, 2020 with related parties by the company stated below.

Sr. No.	Name	Nature of the Transaction	Amount Outstanding
1	Vastupal Steel & Spare Pvt Ltd	Loan Granted	NIL
		Loan Recovered	93,40,200
		Closing Balance	NIL
2	Mukta Industries Pvt Ltd	Loan Taken	NIL
		Loan Repaid	2,84,748
		Closing Balance	NIL
		Purchase	7,49,748
		Payment/Sales	3,56,29,900
		Closing Balance (Creditor)	4,58,50,294.76
3	Mukta Automation Pvt Ltd	Loan Granted	NIL
		Loan Recovered	22,79,200
		Closing Balance	NIL
4	Nidhi D Bhatt	Salary Payable	1,45,800
		Salary paid	1,33,800
		Closing Balance	12,000

➤ **Payment to the Auditors**

Particulars	2019-20	2018-19
Audit Fees	16000	76700
Others	0	0
Total	16000	76700

➤ **Earnings per Share:-**

The earning considered in ascertaining the company's EPS comprises the profit available for shareholders i.e. profit after tax and statutory/regulatory appropriations. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year as per the guidelines of Ind AS-33.

Particulars	31-03-2020	31-03-2019
Net Profit Attributable to share holders	(13,02,138)	(10,99,273)
Weighted average number of equity shares (Nos.)	28,00,000	28,00,000
Basic and diluted earnings per share (Rs.)	(0.47)No EPS	(0.39)No EPS
Nominal value of equity share (Rs.)	10	10

➤ **Capital Management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

Particulars	As at 31st March, 2020	As at 31st March, 2019
1. Total equity attributable to the equity share holders of the company	2,80,00,000	2,80,00,000
2. As percentage of total capital	85.53%	91.54%
3. Current loans and borrowings	51,94,142	27,44,142
4. Non-current loans and borrowings	-	-

Particulars	As at 31st March, 2020	As at 31st March, 2019
5. Total loans and borrowings	51,94,142	27,44,142
6. Cash and cash equivalents	4,58,942	1,54,837
7. Net loans & borrowings	47,35,200	25,89,305
8. As a percentage of total capital	14.47%	08.46%
Total capital (loans and borrowings and equity)	3,27,35,200	3,05,89,305

➤ **Fair Value measurements**

Financial instruments by category

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Asset						
• Investment	-	22,610,000	-	-	22,610,000	-
• Non Current Loans	4,03,83,434	-	-	12,644,628	-	-
• Trade receivables	96,50,797	-	-	9,743,522	-	-
• Cash & Cash Equivalents	4,58,942	-	-	154,837	-	-
• Current Loans	-	-	-	65,280,781	-	-
Total Financial Asset	5,04,93,173	22,610,000	-	87,823,768	22,610,000	-
Financial Liabilities						
• Borrowings	51,94,142	-	-	2,744,142	-	-
• Trade Payables	4,77,01,449	-	-	85,428,959	-	-
• Other Financial Liabilities	-	-	-	-	-	-
Total Financial Liabilities	5,28,95,591	-	-	88,173,101	-	-

Excluding investments in subsidiaries, joint control entities and associates measured at cost in accordance with Ind AS-27

➤ **Fair value hierarchy**

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	-	-	22,610,000	22,610,000

Financial assets measured at fair value at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment	-	-	22,610,000	22,610,000

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortized cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

➤ **Financial risk management**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its Training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit Risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost.	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

➤ Trade Receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors

For trade receivables, provision is provided by the company as per the below mentioned policy:

Particulars	Gross Carrying Amount	Expected credit losses rate (%)	Expected Credit Losses	Carrying amount of Trade Receivable
Considered for Goods				
0-12 Months	0	0	0	0
More than 1 Year	96,50,797	0	0	96,50,797

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2020

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings			
Current financial liabilities	-	-	
Borrowings			
Trade Payables	51,94,142	-	51,94,142
Other Financial Liability	4,77,01,449	-	4,77,01,449
Total financial liabilities	5,28,95,591	-	5,28,95,591

As at March 31, 2020

Financial Liabilities	Payable within 0 to 12 months	More than 12 months	Total
Non-current financial liabilities			
Borrowings			
Current financial liabilities			
Borrowings	27,44,142	-	27,44,142
Trade Payables	8,54,28,959	-	8,54,28,959
Other Financial Liability	0	-	0
Total financial liabilities	8,81,73,101	-	8,81,73,101

C. Price Risk Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

➤ **Others**

- Balance Sheet is still carrying Opening Balance of "Pre- Operative Expense" of Rs. 33,19,207/- as "Other Current Assets", which in our opinion needs to be written off in Five Financial Years proportionately. And Due to the same expense is under stated in profit & loss account.
- The Company has not created Provision for Payment of Income Tax.
- Balance of sundry debtors and creditors, loans and advances accepted and given in the balance sheet are subject to confirmation.
- As informed by the management that the loans are interest free, which in our opinion is violation of Section 186 (7) of the Companies Act, 2013.
- Above Disclosure is made after taking into account the principle of materiality.
- In the events of non-availability of suitable supporting vouchers, Directors have given us certificate that these expenses are incurred mainly for the business activities of the company.
- The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For India Infraspace Ltd.

For, G M C A & Co.
Chartered Accountants
FRN No:109850W

Pradip B. Shah
Managing Director
DIN : 00297120
Place : Ahmedabad
Date : 31/07/2020

Naresh B. Shah
Director
DIN : 01212428

Nidhi D. Bhatt
Company Secretary

Pankaj B. Shah
CFO

CA. Mitt S. Patel
Partner
Membership No. 163940