

DIRECTORS REPORT

To
The Members,

The Board hereby presents the 40th Annual Report along with Audited Statements of Accounts for the Financial Year ended March 31, 2020.

FINANCIAL SUMMARY

Particulars	Amount In Lakhs	
	2019-20	2018-19
<u>Income:</u>		
Revenue from operations	609.72	1660.78
Other Income	174.36	108.31
Total Revenue (I)	784.08	1769.09
<u>Expenses:</u>		
Cost of Goods Sold	342.98	1100.54
Employee benefit expense	61.40	59.08
Other expenses	160.10	324.57
Total (II)	564.48	1484.19
Earning/(loss) before interest, tax, depreciation and amortization (EBITDA) (I) - (II)	219.60	284.90
Depreciation and amortization expense	98.80	106.70
Finance cost	3.02	18.81
Profit for the year	117.78	159.39
Exceptional items	94.63	0.00
Profit before tax	23.15	159.39
Current tax	20.36	36.00
Deferred tax	(29.76)	13.35
Profit after tax	32.55	110.04
Net Worth	6247.32	6213.74

DIVIDEND

In view of further expansion, directors do not recommend any dividend on equity shares for the year ended on 31st March, 2020.

TRANSFER TO RESERVES

The closing balance of the retained earnings of the Company for Financial year 2019-2020, after all appropriation and adjustments was Rs. 32.55 Lakhs.

OPERATIONS

The main operations of the Company is to create infrastructure development facilities for the installation of Wind Turbine Generator. As one of the pioneer in the field of renewable energy, Company is very well positioned to take advantage of ever increasing demand for the renewable energy resources. In view of this development, your Directors are hopeful to achieve better results in the coming years.

CORPORATE GOVERNANCE

As per SEBI Listing Regulations, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

PERFORMANCE

The turnover of the Company for the year under review is Rs. 609.72 Lakhs as against Rs. 1660.78 Lakhs in the previous year. Your Directors are hopeful to improve & increase the growth rate in turnover and profitability in current year.

Net Profit before tax for the year under review is Rs. 23.15 Lakhs as against Rs. 159.39 Lakhs in the previous year. Net Profit after tax is at Rs. 32.55 Lakhs as against Rs. 110.04 Lakhs in the previous year.

FUTURE PROSPECTS

The Indian renewable energy sector has shown impressive growth in the past few years and investments into the sector have increased significantly. The Indian power sector has immense opportunities in power generation, distribution, transmission and equipment.

Wind Energy is where India competes globally in manufacturing and deployment in the present scenario. Wind has emerged as the most promising renewable energy source in India. Our Policy framework in wind energy generation is extremely investor-friendly and an attractive tariff and regulatory regime provide a strong foundation for the growth of the sector.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there has been no change in the management of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the Listing Agreement.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of its compliance committees. The manner in which the evaluation has been carried out has been explained in detail in the Corporate Governance Report, which forms part of this Annual Report.

The following policies of the Company are annexed to this report:

- 1) Policy for selection of Directors and determining Directors independence (Annexure I); and
- 2) Remuneration Policy for Directors, Key Managerial Personnel and other employees (Annexure II).

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

No company has become or ceased to be a subsidiary, joint venture or associate during the financial year 2019-20.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 as at March 31, 2020 and of the Profit and Loss of the Company for the year ended on that date;
- c) 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;
- d) They have prepared the annual accounts on a going concern basis;
- e) 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; and
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Directors draw attention of the members to note no. 39 to the financial statement which sets out related party disclosures.

AUDITORS & AUDITORS' REPORT

Board of Directors have appointed M/s. M. H. Dalal & Associates, Chartered Accountants in the Annual General Meeting held on September 29, 2017 for a period of five years to hold office till the conclusion of the 42nd Annual General Meeting of the Company. They have confirmed their eligibility and they are not disqualified for appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

The Board has appointed M/s. Nidhi Shah & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as Annexure III to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURES**Audit Committee**

The Audit Committee comprises of three Independent Directors namely Mr. Chetan H. Mehta (Chairman), Mr. Mitesh J. Kuvadia (Member) and Mrs. Falguni M. Shah (Member). All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, comprises of senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee.

Meetings of the Board

Four meetings of the Board of Directors were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided are provided in the notes to the Financial Statements.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014, details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

Energy conservation is an area of priority and the Company has made all efforts to ensure continuous monitoring and improvement in energy consumption in all its offices.

(B) Technology absorption:

Being in the business of providing clean energy, the Company is constantly looking at innovation and technology absorption to increase production efficiency in its business.

(C) Foreign Exchange Earnings and Outgo:

During the current period, there was no Foreign Exchange Earning. Also, the Company has not incurred any expenditure towards Foreign Exchange during this period.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith marked as Annexure IV to this Report.

Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith marked as Annexure V to this Report.

No disclosure or reporting is required in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as there are no employees drawing remuneration in excess of the limits set out in the said rules.

Corporate Social Responsibility

The Company is not required to constitute Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

Material changes and commitments affecting financial position between the end of the financial year and date of the report

There has been no material changes and commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**By Order of the Board of Directors
For Veer Energy & Infrastructure Limited**

Place: Mumbai
Date: 2nd September, 2020

Sd/-
Yogesh M. Shah
Chairman & Managing Director

Sd/-
Prakash C. Shah
Director