

Raunaq EPC International Limited (REIL)
57th Annual General Meeting
September 19, 2022 11:30 A.M. IST

MANAGEMENT:

Jyoti Singh - Link Intime India Pvt. Ltd.
Neha Patwal - Company Secretary
Surinder Paul Kanwar - Chairman
Sanjeev Kumar - Non-Executive Independent Director
Rajiv Chandra Rastogi - Non-Executive Independent Director
Naresh Verma - Non-Executive Director
Preeti Goel - Non-Executive Independent Director
Rajan Malhotra - Chief Executive Officer
Kailash Chandra Yadav - Chief Financial Officer

SPEAKER SHAREHOLDERS:

Manjit Singh
Mahendra Pal Bhutani
Ashok Kumar Jain
Chetan Chadha
Vaibhav Badjatya

Presentation

Jyoti Singh:

Dear members of Raunaq International Limited, good morning. I, Jyoti Singh on behalf of Link Intime India Pvt. Ltd., RTA of your company, welcome you all at the 57th Annual General Meeting of your company. Before going to the proceedings, I would like to request to the members to please keep their devices in mute mode to enable us to conduct of the meeting smoothly.

For members who have been pre-registered and have been confirmed as a speaker to speak in the meeting, the audio will be enabled when the Chairman will request them to speak. I now hand over to Ms. Neha Patwal, the Company Secretary of the Company to please go ahead with the proceedings. Over to you, ma'am. Thank you.

Neha Patwal:

Dear shareholders, good morning to everyone and a warm welcome to the 57th Annual General Meeting of Raunaq EPC International Limited. Members may note that this AGM is being held through video conference in accordance with the provisions of the Companies Act, 2013 and the circulars issued by Ministry of Corporate Affairs and SEBI. As per the statutory requirements, the proceedings of meeting is being recorded.

The transcript as well as the recording will be uploaded on the website of the Company. Facility for joining this meeting through video conference or other audio visual means is made available to all the shareholders on a first come, first serve basis. As the AGM is being

held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not applicable.

The register of members, register of Directors, key managerial personnel and the register of contract or arrangements have been made available electronically for inspection by the members during the AGM. For the smooth conduct of the meeting, all the members will be in the mute mode, audio and video mode shall be unmuted for those who have registered themselves as speakers. Members who have not registered as a speaker can ask their queries to the panelist by active chat box during the meeting. Please remember your speaking serial number, which will be appearing in the voting registration message once you mark your attendance for the meeting.

You are requested to speak only when you will be invited to speak as per the serial number. Members who have not exercised their vote through remote e-voting may click the voting button, cast your vote, which is appearing on the right hand side of VC meeting screen. You may enter your DMAT account number, folio number and will receive an OTP on your registered mobile number, registered email ID during registration for InstaMeet and vote.

And now, I request our Chairman Mr. Surinder Paul Kanwar to initiate the proceedings of the meeting.

Surinder Paul Kanwar: Greetings and good morning to all the friends. It gives me a great pleasure to welcome you all to the 57th General Meeting of your company. Due to Novel Coronavirus COVID-19 outbreak in the country and pursuant to the various circulars issued by Ministry of Corporate Affairs MCA, the 57th Annual General Meeting is being conducted via electronic means through VC, OAVM platform, InstaMeet provided by registrar transfer agent Link Intime India Pvt. Ltd. The notice and annual report for the financial year 2021-22 was sent only by electronic mode to the members whose email address are registered with the company/depositors.

Now I introduce Directors and key management personnel to the shareholders. Dr. Sanjeev Kumar, Non-Executive Independent Director, Chairman of Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee; Mr. Rajiv Chandra Rastogi, Non-Executive Independent Director, Lead Independent Director; Mr. Naresh Verma, Non-Executive Director; Ms. Preeti Goel, Non-Executive Independent Director; Mr. Rajan

Malhotra, Chief Executive Officer; Mr. Kailash Chandra, Chief Financial Officer; Ms. Neha Patwal, Company Secretary; and myself, Surinder Paul Kanwar.

Neha, please confirm the quorum is present. The report on the statutory financial statements of the company for the year ended 31st March, 2022 does not contain any qualification reservation or adverse remark, which needs any explanation or comment of the Board.

My formal address is as follows:

Dear ladies and gentlemen, on behalf of the Board of Directors, it gives me a pleasure to welcome you all on 57th General Meeting of your company. I hope you and your loved ones are healthy and safe. I'm thankful to you for spending time to join this meeting for wherever you are located. The year '21 was rebound year for the global economy after havoc COVID-19 pandemic played on during 2020. Notwithstanding the second and third wave seen in some of the major world economies, and economic activities across the global expanded by 6.1% over 2020.

Due to the repressed demand, government initiatives to mitigate the economic impact of the pandemic and increasing vaccination rates. Inflation was become a major cause of concern across the world and most of the central banks are responding by increasing policy rates and/or sucking out excess liquidity from the market. These are likely to be have a significant impact on the global GDP growth in '22, '23. With the pandemic relating restrictions being gradually removed, the reform measures and stimulus support given by the central and the state government, and the growth in consumer demand, and the macro environment was supportive of the growth across the sector.

The growth projections of FY '22-'23 for India have been revised downward by most agencies with a negative bias due to the continued downside risk. The estimate of '22-'23 growth range from 7% to 8%. Due to the lack of banking facility, the company is unable to bid off for any new job during the year. The company has only executed the current projects, delayed/disrupted due to the COVID, which has impacted the revenues and financials of the company. On standalone, the company has registered the total revenue of Rs. 1024.28 Lakhs in FY '21-'22 as compared to the total revenue of company Rs. 1509.69 Lakhs in financial year 2021, which is 47% down on the previous year.

In terms of the execution, some of the major projects that company successfully work during the FY 2022 includes work for fabrication and erection of Large Dia CW piping system of Ghatampur were 3x660MW for GE Power Systems has been completed and closing activities are underway. Closing activities are underway for the additional ash water re-circulation project at NTPC Ramagundam 2600MW. Work of LP Piping & FOHS at NTPC/BRBCL in Nabinagar has been completed and closing activities have been started.

Due to the bottleneck in reference to the banking facility for bidding new projects your company could not diversify into water distribution segment and other EPC projects. The company during the year has entered into trading activity along with executing the existing EPC project in order to sustain the revenue of the company.

Going forward the company will explore possibility in trading business and shall complete the existing EPC project and utilise retention fund in the growth and trading business of the company and also tracking EPC project with the help of JV partner. Simultaneously company has focused to effectively complete the current project under execution within time.

The outlook of the economy seems favorable with revival in consumer sentiment ,strong policy support and special focus for infrastructure in rural areas, digitization across agriculture value chain, heavy construction machinery for mega infrastructure projects are all expected to pump-prime the economy along with the agriculture and construction sector.

We will constantly strive for timely execution of the job, with best engineering capabilities available, and we are focusing more on the trading business along with the EPC projects, which can be manageable with the available banking facility.

I would like to spread out my sincere gratitude to our employees, customers, partners, business associates and our stakeholders for their undying faith and support. Each one has been part of the existing enriching journey. We continue to seek value creation for the stakeholder and preserve into building sustainable business. Here is the hoping of bright and strong future with warm regard. Thank you.

Now I will take up the agenda as per the notice of the AGM members to cast their vote in electronic means.

Item no. 01, Ordinary Resolution To receive, consider and adopt the financial statements of the company for the year ended 31 March, 2022 together with reports of the Directors and Auditors thereon.

Item no. 02, Ordinary Resolution To consider the re-appointment of Mr. Naresh Verma, who retires by rotation and eligible for re-appointment.

Item no. 03, Ordinary Resolution To consider the re-appointment of M/s B.R. Maheswari & Company Chartered Accountants as the Statutory Auditor of the company.

Item no. 04, Dr. Sanjeev Kumar will take the Chair for Item No.4.

Sanjeev Kumar: Thank you. I resume the Chair as Chairman from Mr. Surinder Paul Kanwar now.

Item no. 04 is a Special Resolution to consider the reappointment of Mr. Surinder Paul Kanwar as Chairman and Managing Director of the company for a further period of five years with effect from 1 October, 2022.

Surinder Paul Kanwar: Item no. 05, Special Resolution To consider appointment of Ms. Preeti Goel, Additional Director of the company, as a Non-Executive Independent Director of the Board of the Company.

The company members to cast their vote via electronic means before conclusion of the meeting and resolution passed by shall be declared within the prescribed time.

Members who have registered themselves as a speaker may ask their queries as the speakers or the members who have not registered as speaker may ask their queries via activity chat board. Company Secretary will lead the queries of the panelists now.

Jyoti, go ahead for the queries. Now meeting is open for the queries from the shareholders.

Jyoti Singh: Thank you sir. With the permission of Chairman Sir, we are moving forward to question-and-answer session. We have the first question from Mr. Manjit Singh. Mr. Manjit Singh, you are on the panel.

Manjit Singh: Am I audible?

Jyoti Singh: Yes.

Surinder Paul Kanwar: Yeah. Yes, Manjit Singh, good morning.

Manjit Singh: Good morning Sir. Good morning. Chairman, Director, Secretarial Department and my co-shareholders I welcome everyone and pray to god that everyone stays healthy. The business model of Company, the last year's results were not good. Two quarters have passed by, six months are left in 2022-2023, so how will our revenues come? Please inform us about this. And the way you used to do AGM in a physical mode, now Corona has reduced a bit so we hope that you will come back to the physical mode. And also I would like to know from the Secretary that the way that our attendance is recorded during the physical meeting, the numbers of shareholders participating, this is the third meeting through OVM, so how many shareholders are participating?

I would also like to know from the scrutinizers what is the position of the e-vote? In the earlier pre-Corona meetings how many votes were cast and how many e-votes are being cast, please inform about this. And the chance given by the secretarial department, the way the moderator has joined us in the meeting, I want to say thanks to them. And in the coming years, the way Chairman Sir has been leading Bharat Gear, I would like to inform that Raunaq's results are also good. The experience they have is very important. We hope that the company goes in the right direction and the results are good. Thank you for the management team of Raunaq EPC and thank you for the secretarial team of Raunaq. Thank you ji.

Surinder Paul Kanwar: Manjit Singh ji, can we listen to all the questions, then I can sum up with all of them together? Is it okay with you?

Manjit Singh: Yes, sure, sir. Whatever you say is okay.

Surinder Paul Kanwar: Okay. Thank you. Thank you Jyoti, is there any other speaker?

Jyoti Singh: Thank you, Mr. Singh. We have the next question from Mr. Mahendra Pal Bhutani. Mr. Bhutani?

Mahendra Pal Bhutani: Yes, greetings, Chairman, sir.

Surinder Paul Kanwar: Greetings.

Mahendra Pal Bhutani: I'm M. P. Bhutani from Punjabi Bagh, New Delhi. First of all, I would like to thank the management for allowing me to speak on this platform. Sir, regarding e-notice and annual report, sir, I would like to thank also the Company Secretary and the team for sending the notice well in time. And after going through the annual report, I found that

the all section has been covered in detail and in transparent manner. And I also appreciate the efforts of the management for taking safety step of all the employees during the pandemic of second and third wave of the '21-'22.

Sir, I want to know your medium and long-term strategy roadmap on the challenges like inflation, cost price pressure, domestic issue, China and Taiwan issue, Russia and Ukraine war is not yet -- is not known, there is no sign to close of this war also. And to counter competitive platform by the management sir.

And next is geographically expansion, and position of QCDD parameters. Sir, do we have any major CapEx plan? Sir, Vivad se Vishwas scheme, this was launched by the government. Sir, is there any settlement under this scheme to resolve the old matters, because we have observed that so many company has taken benefit under this scheme? Sir, we can say this of the company, that the management of the company is investor-friendly, transparent in dealing, and it is fully capable of leading the company forward.

Sir, I would like to say two more lines, that "tell the storms to abate, the difficulties in front of us, tell the storms to abate because our Surinder ji does not fly on wings but on determination and will take the company to great heights, make a name and take the company to new strengths. The difficulties are there and will remain but our strategy and roadmap, and your vision, we are confident that will take the company forward.

Surinder Paul Kanwar: Thank you.

Mahendra Pal Bhutani: The shareholders are confident that the rich experience of the board will help the leadership team in achieving bigger milestone and it will soon effect on our stock price too. Best wishes to each one of you ahead of the festival season. Thank you very much, sir.

Surinder Paul Kanwar: Thank you, sir. Thank you for the wishes. Jyoti, let's go to another question. Thank you, Mr. Bhutani.

Jyoti Singh: Thank you, Mr. Bhutani. We have the next question from Mr. Ashok Kumar Jain. Mr. Jain?

Ashok Kumar Jain: Hello, hello? Hello?

Surinder Paul Kanwar: Yeah, we can hear, Mr. Jain.

Ashok Kumar Jain: Am I audible?

Surinder Paul Kanwar: Yeah, yeah.

Ashok Kumar Jain: A very good afternoon, Chairman sir, Board of Directors and my co-fellow shareholders attending the e-meeting. My congratulations to the management for providing the excellent results during this year. Sir, there is no doubt in this financial statement as I have full faith in the management. Sir, I want to know that what is the future growth of the company and secondly -- and I want to thank the secretarial department for helping me to join this AGM through video conferencing. Thank you, sir.

Surinder Paul Kanwar: Thank you, sir. Thank you, Mr. Jain.

Jyoti Singh: Thank you, Mr. Jain. We have the next question from Mr. Chetan Chadha. Mr. Chadha?

Chetan Chadha: Yes, ma'am. Thank you. Can you hear me?

Surinder Paul Kanwar: Yes, yes, we can hear you.

Chetan Chadha: Thank you, sir. Thank you so much to giving me this opportunity. I'm really thankful to the management for giving me the chance. First of all, sir, I want to express my gratitude to your secretarial department, and also the moderator, who gave me this chance to join you, and also let me see you in this 57th AGM, because this is the third AGM which is being held through the mode of VC, in which we are meeting you through VC, and hope that the scenario improves till the next year so that we can hold the AGM in physical and also if would be better if we can take it to hybrid, so that if someone wants to join through VC they can join.

Sir, I do not need to ask you any question, because according to me you are doing very well in tough times. I just want to ask you that now we are running the company in tough time, what is the roadmap for the next two years? And what are we planning to take us out of these tough times?

And have we transferred any staff or thought about transferring them to any other Company, because if the load keeps on adding then the losses will be more. Can we transfer our business into other business, if we get such an opportunity or we do some joint venture with

someone, we can get some good momentum? Our elders have laid the foundation of this company, so we can regain the momentum. With this I want to again thank you for the opportunity. Thank you so much.

Surinder Paul Kanwar: Thank you very much, Mr. Chadha. Jyoti, next question?

Jyoti Singh: Thank you, Mr. Chadha. We have the next question from Mr. Vaibhav Badjatya. Mr. Vaibhav, you are on the panel.

Vaibhav Badjatya: Yes, good morning, everyone. Am I audible?

Surinder Paul Kanwar: Good morning.

Vaibhav Badjatya: Yes, thank you, sir for providing me the opportunity to speak at this platform. I wanted to ask the following questions. First, can you provide some light on succession planning like who will be leading our company from next generation of Mr. Sachit and Mr. Sameer? Next, is there any long-term plan to list, Xlerate on stock exchange by way of merging with our company? Third, can -- company has now decided to enter trading business.

So which are the commodities in which we would be dealing? And last, like we have seen the promoters continuing to reduce the stake in our company. So is there any long-term plan to sell all of the promoters' stake or like to a certain extent or something like that? So if you can throw light on these questions, sir, it would be very helpful. Appreciate. Thank you, sir. Thank you very much.

Surinder Paul Kanwar: Thank you.

Jyoti Singh: Thank you, Mr. Vaibhav. There is no other speaker shareholder.

Surinder Paul Kanwar: Okay, I'll just brief the certain queries addressed by the fellow shareholders. First of all, we'd love to have a physical meeting. Unfortunately because of Corona we are not able to do it. Hopefully, next year we should be able to meet us. Second, with the situation in the construction EPC, as you are all aware the banks are being very tight and very rigid for the guarantees, and we are unable to get a good support from them.

We are trying to still work with the bank if they can give some support of the bank guarantee. Over and above the jobs which we have, we are trying to close in this as early as possible in this year, so that we are able to do. In the meanwhile, we have started a trading business

towards the steel and we are looking also for some kind of a joint venture, where we can continue this business and diversify in certain areas. And we are exploring all that area, and that side also.

So hopefully by the next time we meet, we will be in a better position to answer your all these queries.

Query was raised on the Xlerate. Xlerate is now a separate company. It is nothing to do with Raunaq International. It's an independent and it's a private company. So that is nothing to do with Raunaq EPC anymore. So that is the background of the Raunaq EPC. So we are looking how to take care of the Company in a more professional way. We're discussing certain people for JV, if the JV occurs then we will see how to restructure the entire company. I hope I've answered all of your questions. Thank you sir.

As of now we have no further queries to reply. Members are informed that the electronic voting option will remain open for the next 15 minutes. Members who have not exercised their vote may click the voting button, cast your vote, which is appearing on your right side of the VC meeting screen and vote.

Result of the resolution passed when the AGM shall be declared within prescribed time limit upon receiving the consolidated report of remote e-voting and e-voting of the meeting by scrutinizers. Thank you, everybody for joining the meeting.

Neha Patwal: In the chat box, we have received from some of the shareholders, best wishes for the company.

Surinder Paul Kanwar: Thank you, everybody.

Preeti Goel: Thank you.

Neha Patwal: Thank you, Chairman sir.

Surinder Paul Kanwar: Thank you, Neha.